PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 485 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

FOURTH SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2008–2009

COMPRISING PERIOD
3 December 2008—18 December 2008

Chronology of
The Parliamentary Debates

The Parliamentary History contains all that can be collected of the Legislative History of this country from the Conquest to the close of the XVIIIth Century (1803), 36 vols. The chief sources whence these Debates are derived are the Constitutional History, 24 vols.; Sir Simonds D'Ewes' Journal; Debates of the Commons in 1620 and 1621; Chandler and Timberland's Debates, 22 vols.; Grey's Debates of the Commons, from 1667 to 1694, 10 vols.; Almons Debates, 24 vols.; Debrett's Debates, 63 vols.; The Hardwicke Papers; Debates in Parliament by Dr. Johnson, &c. &c.

THE PARLIAMENTARY DEBATES commenced with the year 1803, and the contents are set forth in the following Chronological Table:—

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House of Commons

Alphabetical List of Members

[Returned at the General Election, 5 May 2005]

A

Abbott, Diana Julie (Hackney, North and Stoke Newington)
Adams, Gerry (Belfast, West)
Afriyie, Adam (Windsor)
Ainger, Nicholas Richard (Carmarthen, West and South Pembrokeshire)
Ainsworth, Peter Michael (East Surrey)
Ainsworth, Rt. Hon. Robert William (Coventry, North-East)
Alexander, Daniel Grian (Inverness, Nairn, Badenoch and Strathspey)
Alexander, Douglas Garven (Paisley and Renfrewshire, South)
Allen, Graham William (Nottingham, North)
Amess, David Anthony Andrew (Southend, West)
Ancram, Rt. Hon. Michael Andrew (Devizes)
Anderson, David (Blaydon)
Anderson, Janet (Rossendale and Darwen)
Arbuthnot, Rt. Hon. James Norwich (North-East Hampshire)
Armstrong, Rt. Hon. Hilary Jane (North-West Durham)
Atkins, Charlotte Jean (Staffordshire, Moorlands)
Atkinson, Peter Landreth (Hexham)
Austin, Ian Christopher (Dudley, North)
Austin, John Eric (Erith and Thamesmead)

B

Bacon, Richard Michael (South Norfolk)
Bailey, Adrian Edward (West Bromwich, West)
Baird, Vera (Redcar)
Baker, Norman John (Lewes)
Baldry, Antony Brian (Banbury)
Balls, Edward Michael (Normanton)
Banks, Gordon Raymond (Ochil and South Perthshire)
Barker, Gregory Leonard George (Bexhill and Battle)
Barlow, Celia Anne (Hove)
Baron, John Charles (Billericay)
Barrett, John Andrew (Edinburgh, West)
Barron, Rt. Hon. Kevin John (Rother Valley)
Battle, Rt. Hon. John Dominic (Leeds, West)
Bayley, Hugh (City of York)
Beckett, Rt. Hon. Margaret Mary (Derby, South)
Begg, Anne (Aberdeen, South)
Beith, Rt. Hon. Alan James (Berwick-upon-Tweed)
Bell, Sir Stuart (Middlesbrough)
Bellingham, Henry Campbell (North-West Norfolk)
Benn, Rt. Hon. Hilary James (Leeds, Central)
Benton, Joseph Edward (Bootle)
Benyon, Richard Henry Ronald (Newbury)
Bercow, John Simon (Buckingham)
Beresford, Sir Alexander Paul (Mole Valley)
Berry, Roger Leslie (Kingswood)
Betts, Clive James Charles (Sheffield, Attercliffe)
Binley, Brian Arthur Roland (Northampton, South)
Blackman, Elizabeth Marion (Erewash)
Blackman-Woods, Roberta Carol (City of Durham)
Blair, Rt. Hon. Anthony Charles Lynton (Sedgefield) [*Resigned, June 2007*]
Blears, Hazel Anne (Salford)
Blizzard, Robert John (Waveney)
Blunkett, Rt. Hon. David (Sheffield, Brightside)
Blunt, Crispin Jeremy Rupert (Reigate)
Bone, Peter William (Wellingborough)
Borrow, David Stanley (South Ribble)
Boswell, Timothy Eric (Daventry)
Bottomley, Peter James (Worthing, West)
Bradshaw, Benjamin Peter James (Exeter)
Brady, Graham Stuart (Altrincham and Sale, West)
Brake, Thomas Anthony (Carshalton and Wallington)
Brazier, Julian William Hendy (Canterbury)
Breed, Colin Edward (South-East Cornwall)
Brennan, Kevin Denis (Cardiff, West)
Brokenshire, James Peter (Hornchurch)
Brooke, Annette Lesley (Mid-Dorset and North Poole)
Brown, Lyn Carol (West Ham)
Brown, Rt. Hon. James Gordon (Kirkcaldy and Cowdenbeath)
Brown, Rt. Hon. Nicholas Hugh (Newcastle upon Tyne, East and Wallsend)
Brown, Russell Leslie (Dumfries and Galloway)
Browne, Desmond Henry (Kilmarnock and Loudon)
Browne, Jeremy Richard (Taunton)
Browning, Angela Frances (Tiverton and Honiton)
Bruce, Malcolm Gray (Gordon)
Bryant, Christopher John (Rhondda)
Buck, Karen Patricia (Regent's Park and Kensington, North)
Burden, Richard Haines (Birmingham, Northfield)
Burgon, Colin (Elmet)
Burnham, Andrew Murray (Leigh)
Burns, Simon Hugh McGuigan (West Chelmsford)
Burrowes, David John Barrington (Enfield, Southgate)
Burstow, Paul Kenneth (Sutton and Cheam)
Burt, Alistair James Hendrie (North-East Bedfordshire)
Burt, Lorely Jane (Solihull)
Butler, Dawn Petula (Brent, South)
Butterfill, Sir John Valentine (Bournemouth, West)
Byers, Rt. Hon. Stephen John (North Tyneside)
Byrne, Liam Dominic (Birmingham, Hodge Hill)

C

Cable, John Vincent (Twickenham)
Caborn, Rt. Hon. Richard George (Sheffield, Central)
Cairns, John David (Inverclyde)
Calton, Patsy (Cheadle) [*Died, May 2005*]
Cameron, David William Donald (Witney)
Campbell, Alan (Tynemouth)
Campbell, Gregory Lloyd (East Londonderry)
Campbell, Ronald (Blyth Valley)
Campbell, Rt. Hon. Sir Walter Menzies (North-East Fife)
Carmichael, Alexander Morrison (Orkney and Shetland)
Carswell, John Douglas Wilson (Harwich)
Cash, William Nigel Paul (Stone)
Caton, Martin Phillip (Gower)
Cawsey, Ian Arthur (Brigg and Goole)
Challen, Colin Robert (Morley and Rothwell)
Chapman, James Keith (Wirral, South)

Chaytor, David Michael (Bury, North)
Chope, Christopher Robert (Christchurch)
Clapham, Michael (Barnsley, West and Penistone)
Clappison, William James (Hertsmere)
Clark, Gregory David (Tunbridge Wells)
Clark, Katy (North Ayrshire and Arran)
Clark, Paul Gordon (Gillingham)
Clarke, Rt. Hon. Charles Rodway (Norwich, South)
Clarke, Rt. Hon. Kenneth Harry (Rushcliffe)
Clarke, Rt. Hon. Thomas (Coatbridge, Chryston and Bellshill)
Clegg, Nicholas William Peter (Sheffield, Hallam)
Clelland, David Gordon (Tyne Bridge)
Clifton-Brown, Geoffrey (Cotswold)
Clwyd, Rt. Hon. Ann (Cynon Valley)
Coaker, Vernon Rodney (Gedling)
Coffey, Ann (Stockport)
Cohen, Harry Michael (Leyton and Wanstead)
Connarty, Michael (Linlithgow and East Falkirk)
Conway, Derek Leslie (Old Bexley and Sidcup)
Cook, Francis (Stockton, North)
Cook, Rt. Hon. Robin (Livingston) [*Died, August 2005*]
Cooper, Rosemary Elizabeth (West Lancashire)
Cooper, Yvette (Pontefract and Castleford)
Corbyn, Jeremy Bernard (Islington, North)
Cormack, Sir Patrick Thomas (South Staffordshire) [*Delayed return, June 2005*]
Cousins, James MacKay (Newcastle upon Tyne, Central)
Cox, Charles Geoffrey (Torridge and West Devon)
Crabb, Stephen (Preseli Pembrokeshire)
Crausby, David Anthony (Bolton, North-East)
Creagh, Mary Helen (Wakefield)
Cruddas, Jonathon (Dagenham)
Cryer, Constance Ann (Keighley)
Cummings, John Scott (Easington)
Cunningham, James Dolan (Coventry, South)
Cunningham, Thomas Anthony (Workington)
Curry, Rt. Hon. David Maurice (Skipton and Ripon)
Curtis-Thomas, Claire (Crosby)

D

Darling, Rt. Hon. Alistair Maclean (Edinburgh, South-West)
Davey, Edward Jonathon (Kingston and Surbiton)
David, Wayne (Caerphilly)
Davidson, Ian Graham (Glasgow, South-West)
Davies, David Clifford (Blaenau Gwent) [*By-election, July 2006*]
Davies, David Thomas Charles (Monmouth)
Davies, John Quentin (Grantham and Stamford)
Davies, Philip Andrew (Shipley)
Davis, Rt. Hon. David Michael (Haltemprice and Howden) [*Resigned, June 2008; returned at by-election, July 2008*]
Dean, Janet Elizabeth Ann (Burton)
Denham, Rt. Hon. John Yorke (Southampton, Itchen)
Devine, James (Livingston) [*By-election, October 2005*]
Dhanda, Parmjit Singh (Gloucester)
Dismore, Andrew Hartley (Hendon)
Djanogly, Jonathan Simon (Huntingdon)
Dobbin, James (Heywood and Middleton)
Dobson, Rt. Hon. Frank Gordon (Holborn and St. Pancras)
Dodds, Nigel Alexander (Belfast, North)
Doherty, Pat (West Tyrone)
Donaldson, Jeffrey Mark (Lagan Valley)
Donohoe, Brian Harold (Central Ayrshire)
Doran, Frank (Aberdeen, North)
Dorrell, Rt. Hon. Stephen James (Charnwood)
Dorries, Nadine Vanessa (Mid-Bedfordshire)
Dowd, James Patrick (Lewisham, West)
Drew, David Elliott (Stroud)
Duddridge, James Philip (Rochford and Southend, East)
Duncan, Alan James Carter (Rutland and Melton)
Duncan Smith, Rt. Hon. George Iain (Chingford and Woodford Green)
Dunne, Philip Martin (Ludlow)
Dunwoody, Gwyneth Patricia (Crewe and Nantwich) [*Died, April 2008*]
Durkan, John Mark (Foyle)

E

Eagle, Angela (Wallasey)
Eagle, Maria (Liverpool, Garston)
Efford, Clive Stanley (Eltham)
Ellman, Louise Joyce (Liverpool, Riverside)
Ellwood, Tobias Martin (Bournemouth, East)
Engel, Natascha (North-East Derbyshire)
Ennis, Jeffrey (Barnsley, East and Mexborough)
Etherington, William (Sunderland, North)
Evans, Nigel Martin (Ribble Valley)
Evennett, David Anthony (Bexleyheath and Crayford)

F

Fabricant, Michael Louis David (Lichfield)
Fallon, Michael Cathel (Sevenoaks)
Farrelly, Christopher Paul (Newcastle-under-Lyme)
Farron, Timothy James (Westmorland and Lonsdale)
Featherstone, Lynne Choona (Hornsey and Wood Green)
Field, Rt. Hon. Frank (Birkenhead)
Field, Mark Christopher (Cities of London and Westminster)
Fisher, Mark (Stoke-on-Trent, Central)
Fitzpatrick, James (Poplar and Canning Town)
Flello, Robert Charles Douglas (Stoke-on-Trent, South)
Flint, Caroline Louise (Don Valley)
Flynn, Paul Phillip (Newport West)
Follett, Daphne Barbara (Stevenage)
Forth, Rt. Hon. Eric (Bromley and Chislehurst) [*Died, May 2006*]
Foster, Donald Michael Ellison (Bath)
Foster, Michael Jabez (Hastings and Rye)
Foster, Michael John (Worcester)
Fox, Liam (Woodspring)
Francis, David Hywel (Aberavon)
Francois, Mark Gino (Rayleigh)
Fraser, Christopher James (South-West Norfolk)

G

Gale, Roger James (North Thanet)
Galloway, George (Bethnal Green and Bow)
Gapes, Michael John (Ilford, South)
Gardiner, Barry Strachan (Brent, North)
Garnier, Edward Henry (Harborough)
Gauke, David Michael (South-West Hertfordshire)
George, Andrew Henry (St. Ives)
George, Rt. Hon. Bruce Thomas (Walsall, South)
Gerrard, Neil Francis (Walthamstow)
Gibb, Nicolas John (Bognor Regis and Littlehampton)
Gibson, Ian (Norwich, North)
Gidley, Sandra Julia (Romsey)
Gildernew, Michelle (Fermanagh and South Tyrone)
Gillan, Cheryl Elise Kendall (Chesham and Amersham)

Gilroy, Linda (Plymouth, Sutton)
Godsiff, Roger Duncan (Birmingham, Sparkbrook and Small Heath)
Goggins, Paul Gerard (Wythenshawe and Sale, East)
Goldsworthy, Julia Anne (Falmouth and Camborne)
Goodman, Helen Catherine (Bishop Auckland)
Goodman, Paul Alexander Cyril (Wycombe)
Goodwill, Robert (Scarborough and Whitby)
Gove, Michael Andrew (Surrey Heath)
Gray, James Whiteside (North Wiltshire)
Grayling, Christopher Stephen (Epsom and Ewell)
Green, Damian Howard (Ashford)
Greening, Justine (Putney)
Greenway, John Robert (Ryedale)
Grieve, Dominic Charles Roberts (Beaconsfield)
Griffith, Nia Rhiannon (Llanelli)
Griffiths, Nigel (Edinburgh, South)
Grogan, John Timothy (Selby)
Gummer, Rt. Hon. John Selwyn (Suffolk Coastal)
Gwynne, Andrew John (Denton and Reddish)

H

Hague, Rt. Hon. William Jefferson (Richmond, Yorks)
Hain, Rt. Hon. Peter Gerald (Neath)
Hall, Michael Thomas (Weaver Vale)
Hall, Patrick (Bedford)
Hamilton, David (Midlothian)
Hamilton, Fabian (Leeds, North-East)
Hammond, Philip (Runnymede and Weybridge)
Hammond, Stephen William (Wimbledon)
Hancock, Michael Thomas (Portsmouth, South)
Hands, Gregory William (Hammersmith and Fulham)
Hanson, David George (Delyn)
Harman, Rt. Hon. Harriet (Camberwell and Peckham)
Harper, Mark James (Forest of Dean)
Harris, Evan Leslie (Oxford, West and Abingdon)
Harris, Tom (Glasgow, South)
Harvey, Nicholas Barton (North Devon)
Haselhurst, Rt. Hon. Sir Alan Gordon Barraclough (Saffron Walden)
Havard, David Stewart (Merthyr Tydfil and Rhymney)
Hayes, John Henry (South Holland and The Deepings)
Heal, Sylvia Lloyd (Halesowen and Rowley Regis)
Heald, Oliver (North-East Hertfordshire)
Healey, John (Wentworth)
Heath, David William St. John (Somerton and Frome)
Heathcoat-Amory, Rt. Hon. David Philip (Wells)
Hemming, John Alexander Melvin (Birmingham, Yardley)
Henderson, Douglas John (Newcastle upon Tyne, North)
Hendrick, Mark Phillip (Preston)
Hendry, Charles (Wealden)
Hepburn, Stephen (Jarrow)
Heppell, John (Nottingham, East)
Herbert, Nicholas Le Quesne (Arundel and South Downs)
Hermon, Lady Sylvia Eileen (North Down)
Hesford, Stephen (Wirral, West)
Hewitt, Rt. Hon. Patricia Hope (Leicester, West)
Heyes, David Alan (Ashton-under-Lyne)
Hill, Rt. Hon. Keith (Streatham)
Hillier, Meg (Hackney, South and Shoreditch)
Hoban, Mark Gerard (Fareham)
Hodge, Rt. Hon. Margaret Eve (Barking)
Hodgson, Sharon (Gateshead, East and Washington, West)
Hoey, Catharine Letitia (Vauxhall)
Hogg, Rt. Hon. Douglas Martin (Sleaford and North Hykeham)
Hollobone, Philip Thomas (Kettering)
Holloway, Adam James Harold (Gravesham)
Holmes, Paul Robert (Chesterfield)
Hood, James (Lanark and Hamilton, East)
Hoon, Rt. Hon. Geoffrey William (Ashfield)
Hope, Philip Ian (Corby)
Hopkins, Kelvin Peter (Luton, North)
Horam, John Rhodes (Orpington)
Horwood, Martin Charles (Cheltenham)
Hosie, Stewart (Dundee, East)
Howard, Rt. Hon. Michael (Folkestone and Hythe)
Howarth, David Ross (Cambridge)
Howarth, George Edward (Knowsley, North and Sefton, East)
Howarth, James Gerald Douglas (Aldershot)
Howell, John Michael (Henley) [*By-election, June 2008*]
Howells, Kim Scott (Pontypridd)
Hoyle, Lindsay Harvey (Chorley)
Hughes, Rt. Hon. Beverley June (Stretford and Urmston)
Hughes, Simon Henry Ward (North Southwark and Bermondsey)
Huhne, Christopher Murray Paul (Eastleigh)
Humble, Jovanka Joan (Blackpool, North and Fleetwood)
Hunt, Jeremy (South-West Surrey)
Hunter, Mark James (Cheadle) [*By-election, July 2005*]
Hurd, Nicholas Richard (Ruislip-Northwood)
Hutton, Rt. Hon. John Matthew Patrick (Barrow and Furness)

I

Iddon, Brian (Bolton, South-East)
Illsley, Eric Evlyn (Barnsley, Central)
Ingram, Rt. Hon. Adam (East Kilbride, Strathaven and Lesmahagow)
Irranca-Davies, Ifor Huw (Ogmore)

J

Jack, Rt. Hon. John Michael (Fylde)
Jackson, Glenda May (Hampstead and Highgate)
Jackson, Stewart James (Peterborough)
James, Siân Catherine (Swansea, East)
Jenkin, Bernard Christison (North Essex)
Jenkins, Brian David (Tamworth)
Johnson, Rt. Hon. Alan Arthur (Kingston upon Hull, West and Hessle)
Johnson, Alexander Boris (Henley) [*Resigned, June 2008*]
Johnson, Diana Ruth (Kingston upon Hull, North)
Jones, David Ian (Clwyd, West)
Jones, Helen Mary (Warrington, North)
Jones, Kevan David (North Durham)
Jones, Lynne Mary (Birmingham, Selly Oak)
Jones, Martyn David (Clwyd, South)
Jowell, Rt. Hon. Tessa Jane (Dulwich and West Norwood)
Joyce, Eric (Falkirk)

K

Kaufman, Rt. Hon. Sir Gerald Bernard (Manchester, Gorton)
Kawczynski, Daniel Robert (Shrewsbury and Atcham)
Keeble, Sally Curtis (Northampton, North)
Keeley, Barbara Mary (Worsley)
Keen, Alan (Feltham and Heston)

Keen, Ann Lloyd (Brentford and Isleworth)
Keetch, Paul Stuart (Hereford)
Kelly, Rt. Hon. Ruth Maria (Bolton, West)
Kemp, Fraser (Houghton and Washington, East)
Kennedy, Rt. Hon. Charles Peter (Ross, Skye and Lochaber)
Kennedy, Rt. Hon. Jane Elizabeth (Liverpool, Wavertree)
Key, Simon Robert (Salisbury)
Khabra, Piara Singh (Ealing, Southall) [*Died, June 2007*]
Khan, Sadiq Aman (Tooting)
Kidney, David Neil (Stafford)
Kilfoyle, Peter (Liverpool, Walton)
Kirkbride, Julie (Bromsgrove)
Knight, Rt. Hon. Gregory (East Yorkshire)
Knight, Jim (South Dorset)
Kramer, Susan Veronica (Richmond Park)
Kumar, Ashok (Middlesbrough, South and East Cleveland)

L

Ladyman, Stephen John (South Thanet)
Laing, Eleanor Fulton (Epping Forest)
Lait, Jacqueline Anne Harkness (Beckenham)
Lamb, Norman Peter (North Norfolk)
Lammy, David Lindon (Tottenham)
Lancaster, John Mark (North-East Milton Keynes)
Lansley, Andrew David (South Cambridgeshire)
Law, Peter John (Blaenau Gwent) [*Died, April 2006*]
Laws, David Anthony (Yeovil)
Laxton, Robert (Derby, North)
Lazarowicz, Marek Jerzy (Edinburgh, North and Leith)
Leech, John (Manchester, Withington)
Leigh, Edward Julian Egerton (Gainsborough)
Lepper, David (Brighton, Pavilion)
Letwin, Rt. Hon. Oliver (West Dorset)
Levitt, Tom (High Peak)
Lewis, Ivan (Bury, South)
Lewis, Julian Murray (New Forest, East)
Liddell-Grainger, Ian Richard (Bridgwater)
Lidington, David Roy (Aylesbury)
Lilley, Rt. Hon. Peter Bruce (Hitchin and Harpenden)
Linton, Martin (Battersea)
Lloyd, Anthony Joseph (Manchester, Central)
Llwyd, Elfyn (Meirionnydd Nant Conwy)
Lord, Sir Michael Nicholson (Central Suffolk and North Ipswich)
Loughton, Timothy Paul (East Worthing and Shoreham)
Love, Andrew Mcculloch (Edmonton)
Lucas, Ian Colin (Wrexham)
Luff, Peter James (Mid-Worcestershire)

M

McAvoy, Rt. Hon. Thomas McLaughlin (Rutherglen and Hamilton, West)
McCabe, Stephen James (Birmingham, Hall Green)
McCafferty, Christine (Calder Valley)
McCarthy, Kerry (Bristol, East)
McCarthy-Fry, Sarah Louise (Portsmouth, North)
McCartney, Rt. Hon. Ian (Makerfield)
McCrea, The Reverend Robert Thomas William (South Antrim)
McDonagh, Siobhain Ann (Mitcham and Morden)
McDonnell, Alasdair (Belfast, South)
McDonnell, John Martin (Hayes and Harlington)
MacDougall, John William (Glenrothes) [*Died, August 2008*]
McFadden, Patrick Bosco (Wolverhampton, South-East)
McFall, Rt. Hon. John (West Dunbartonshire)
McGovern, James (Dundee, West)
McGrady, Eddie (South Down)
McGuinness, Martin (Mid-Ulster)
McGuire, Anne (Stirling)
McIntosh, Anne Caroline Ballingall (Vale of York)
McIsaac, Shona (Cleethorpes)
Mackay, Rt. Hon. Andrew James (Bracknell)
McKechin, Ann (Glasgow, North)
McKenna, Rosemary (Cumbernauld, Kilsyth and Kirkintilloch, East)
Mackinlay, Andrew (Thurrock)
Maclean, Rt. Hon. David John (Penrith and The Border)
McLoughlin, Patrick Allen (West Derbyshire)
MacNeil, Angus Brendan (Na h-Eileanan an Iar)
McNulty, Anthony James (Harrow, East)
MacShane, Denis (Rotherham)
Mactaggart, Fiona Margaret (Slough)
Mahmood, Khalid (Birmingham, Perry Barr)
Main, Anne Margaret (St. Albans)
Malik, Shahid (Dewsbury)
Malins, Humfrey Jonathan (Woking)
Mallaber, Judy (Amber Valley)
Mann, John (Bassetlaw)
Maples, John Cradock (Stratford-on-Avon)
Marris, Robert Howard (Wolverhampton, South-West)
Marsden, Gordon (Blackpool, South)
Marshall, David (Glasgow, East) [*Resigned, June 2008*]
Marshall-Andrews, Robert Graham (Medway)
Martin, Rt. Hon. Michael John (Glasgow, North-East)
Martlew, Eric Anthony (Carlisle)
Mason, John Fingland (Glasgow, East) [*By-election, July 2008*]
Mates, Rt. Hon. Michael John (East Hampshire)
Maude, Rt. Hon. Francis Anthony Aylmer (Horsham)
May, Rt. Hon. Theresa Mary (Maidenhead)
Meacher, Rt. Hon. Michael Hugh (Oldham, West and Royton)
Meale, Joseph Alan (Mansfield)
Mercer, Patrick John (Newark)
Merron, Gillian Joanna (Lincoln)
Michael, Rt. Hon. Alun Edward (Cardiff, South and Penarth)
Milburn, Rt. Hon. Alan (Darlington)
Miliband, David Wright (South Shields)
Miliband, Edward Samuel (Doncaster, North)
Miller, Andrew Peter (Ellesmere Port and Neston)
Miller, Maria Frances Lewis (Basingstoke)
Milton, Anne Frances (Guildford)
Mitchell, Andrew John Bower (Sutton Coldfield)
Mitchell, Austin Vernon (Great Grimsby)
Moffatt, Laura Jean (Crawley)
Mole, Christopher David (Ipswich)
Moon, Madeleine (Bridgend)
Moore, Michael Kevin (Berwickshire, Roxburgh and Selkirk)
Moran, Margaret (Luton, South)
Morden, Jessica Elizabeth (Newport, East)
Morgan, Julie (Cardiff, North)
Morley, Elliot Anthony (Scunthorpe)
Moss, Malcolm Douglas (North-East Cambridgeshire)
Mountford, Kali Carol Jean (Colne Valley)
Mudie, George Edward (Leeds, East)
Mulholland, Gregory Thomas (Leeds, North-West)
Mullin, Christopher John (Sunderland, South)
Mundell, David Gordon (Dumfriesshire, Clydesdale and Tweeddale)
Munn, Margaret Patricia (Sheffield, Heeley)

Murphy, Conor Terence (Newry and Armagh)
Murphy, Denis (Wansbeck)
Murphy, Jim (East Renfrewshire)
Murphy, Rt. Hon. Paul Peter (Torfaen)
Murrison, Andrew William (Westbury)

N

Naysmith, John Douglas (Bristol, North-West)
Neill, Robert (Bromley and Chislehurst) [*By-election, July 2006*]
Newmark, Brooks (Braintree)
Norris, Dan (Wansdyke)

O

O'Brien, Michael (North Warwickshire)
O'Brien, Stephen Rothwell (Eddisbury)
O'Hara, Edward (Knowsley, South)
Oaten, Mark (Winchester)
Olner, William John (Nuneaton)
Öpik, Lembit (Montgomeryshire)
Osborne, George Gideon Oliver (Tatton)
Osborne, Sandra (Ayr, Carrick and Cumnock)
Ottaway, Richard Geoffrey James (Croydon, South)
Owen, Albert (Ynys Môn)

P

Paice, James Edward Thornton (South-East Cambridgeshire)
Paisley, The Reverend Ian Richard Kyle (North Antrim)
Palmer, Nicholas Douglas (Broxtowe)
Paterson, Owen William (North Shropshire)
Pearson, Ian Phares (Dudley, South)
Pelling, Andrew John (Croydon, Central)
Penning, Michael Alan (Hemel Hempstead)
Penrose, John David (Weston-Super-Mare)
Picking, Anne (East Lothian)
Pickles, Eric Jack (Brentwood and Ongar)
Plaskitt, James Andrew (Warwick and Leamington)
Pope, Gregory James (Hyndburn)
Pound, Stephen Pelham (Ealing, North)
Prentice, Bridget Theresa (Lewisham, East)
Prentice, Gordon (Pendle)
Prescott, Rt. Hon. John Leslie (Kingston upon Hull, East)
Price, Adam (Carmarthen, East and Dinefwr)
Primarolo, Rt. Hon. Dawn (Bristol, South)
Prisk, Mark (Hertford and Stortford)
Pritchard, Mark Andrew (The Wrekin)
Prosser, Gwynfor Mathews (Dover)
Pugh, John David (Southport)
Purchase, Kenneth (Wolverhampton, North-East)
Purnell, James Mark Dakin (Stalybridge and Hyde)

R

Rammell, William Ernest (Harlow)
Randall, Alexander John (Uxbridge)
Raynsford, Rt. Hon. Wyvill Richard Nicolls (Greenwich and Woolwich)
Redwood, Rt. Hon. John Alan (Wokingham)
Reed, Andrew John (Loughborough)
Reed, Jamieson Ronald (Copeland)
Reid, Alan (Argyll and Bute)
Reid, Rt. Hon. John (Airdrie and Shotts)
Rennie, Willie (Dunfermline and West Fife) [*By-election, February 2006*]
Rifkind, Rt. Hon. Sir Malcolm Leslie (Kensington and Chelsea)
Riordan, Linda (Halifax)
Robathan, Andrew Robert George (Blaby)
Robertson, Angus (Moray)
Robertson, Hugh Michael (Faversham and Mid Kent)
Robertson, John (Glasgow, North-West)
Robertson, Laurence Anthony (Tewkesbury)
Robinson, Geoffrey (Coventry, North-West)
Robinson, Iris (Strangford)
Robinson, Peter David (Belfast, East)
Rogerson, Daniel John (North Cornwall)
Rooney, Terrence Henry (Bradford, North)
Rosindell, Andrew Richard (Romford)
Rowen, Paul John (Rochdale)
Roy, Frank (Motherwell and Wishaw)
Roy, Lindsay (Glenrothes) [*By-election, November 2008*]
Ruane, Christopher Shaun (Vale of Clwyd)
Ruddock, Joan Mary (Lewisham, Deptford)
Ruffley, David Laurie (Bury St. Edmunds)
Russell, Christine Margaret (City of Chester)
Russell, Robert Edward (Colchester)
Ryan, Joan Marie (Enfield, North)

S

Salmond, Alex Elliot Anderson (Banff and Buchan)
Salter, Martin John (Reading, West)
Sanders, Adrian Mark (Torbay)
Sarwar, Mohammad (Glasgow, Central)
Scott, Lee (Ilford, North)
Seabeck, Alison Jane (Plymouth, Devonport)
Selous, Andrew Edmund Armstrong (South-West Bedfordshire)
Shapps, Grant V (Welwyn Hatfield)
Sharma, Virendra Kumar (Ealing, Southall) [*By-election, July 2007*]
Shaw, Jonathan Rowland (Chatham and Aylesford)
Sheerman, Barry John (Huddersfield)
Shepherd, Richard Charles Scrimgeour (Aldridge-Brownhills)
Sheridan, James (Paisley and Renfrewshire, North)
Short, Rt. Hon. Clare (Birmingham, Ladywood)
Simmonds, Mark Jonathan Mortlock (Boston and Skegness)
Simon, Siôn Llewelyn (Birmingham, Erdington)
Simpson, Alan John (Nottingham, South)
Simpson, David (Upper Bann)
Simpson, Keith Robert (Mid-Norfolk)
Singh, Marsha (Bradford, West)
Skinner, Dennis Edward (Bolsover)
Slaughter, Andrew Francis (Ealing, Acton and Shepherd's Bush)
Smith, Rt. Hon. Andrew David (Oxford, East)
Smith, Angela Christine (Sheffield, Hillsborough)
Smith, Angela Evans (Basildon)
Smith, Geraldine (Morecambe and Lunesdale)
Smith, Rt. Hon. Jacqueline Jill (Redditch)
Smith, John William Patrick (Vale of Glamorgan)
Smith, Sir Robert (West Aberdeenshire and Kincardine)
Snelgrove, Anne Christine (South Swindon)
Soames, Arthur Nicholas Winston (Mid-Sussex)
Soulsby, Sir Peter Alfred (Leicester, South)
Southworth, Helen Mary (Warrington, South)
Spellar, Rt. Hon. John Francis (Warley)
Spelman, Caroline Alice (Meriden)
Spicer, Sir Michael William Hardy (West Worcestershire)
Spink, Robert Michael (Castle Point)

Spring, Richard John Grenville (West Suffolk)
Squire, Rachel Anne (Dunfermline and West Fife) [*Died, January 2006*]
Stanley, Rt. Hon. Sir John Paul (Tonbridge and Malling)
Starkey, Phyllis Margaret (Milton Keynes, South-West)
Steen, Anthony David (Totnes)
Stewart, Ian (Eccles)
Stoate, Howard Geoffrey Alvan (Dartford)
Strang, Rt. Hon. Gavin Steel (Edinburgh, East)
Straw, Rt. Hon. John Whitaker (Blackburn)
Streeter, Gary Nicholas (South-West Devon)
Stringer, Graham Eric (Manchester, Blackley)
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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FOURTH SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 485**

FIRST VOLUME OF SESSION 2008-2009

House of Commons

Wednesday 3 December 2008

The House met at twenty-five minutes past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

MESSAGE TO ATTEND HER MAJESTY

Message from Her Majesty delivered by the Gentleman Usher of the Black Rod.

The Speaker, with the House, went up to attend Her Majesty; on their return, the Speaker suspended the sitting.

Speaker's Statement

2.32 pm

Mr. Speaker: I wish to make a statement to the House about the arrest and entry into the offices of the hon. Member for Ashford (Damian Green) last Thursday, 27 November, which raises a subject of grave concern to all Members of the House.

In the past few days there has been much pressure on me to make public comment about these matters, but I felt that it was right and fitting that I should make no comment until Parliament reconvenes, because it is this House and this House alone that I serve, as well as being accountable for the actions of its Officers. I should emphasise from the start that it is not for me to comment on the allegations that have been made against the hon. Member or on the disposal of those allegations in the judicial process.

I should also remind the House, as stated in chapter 7 of "Erskine May," that parliamentary privilege has never prevented the operation of the criminal law. *[Interruption.]* Order. The Joint Committee on Parliamentary Privilege in its authoritative report in 1999 said that the precincts of the House are not and should not be

"a haven from the law".

There is therefore no special restriction on the police searching the parliamentary precincts in the course of a criminal proceeding—nor has there ever been.

On Wednesday last, the Metropolitan police informed the Serjeant at Arms that an arrest was contemplated, but did not disclose the identity of the Member. I was told in the strictest confidence by her that a Member might be arrested and charged, but no further details were given to me. I was told that they might be forthcoming the next morning.

At 7 am on Thursday, police called upon the Serjeant at Arms and explained the background to the case, and disclosed to the Serjeant the identity of the Member. The Serjeant at Arms called me, told me the Member's name and said that a search might take place of his offices in the House. I was not told that the police did not have a warrant. [HON. MEMBERS: "Ah!"] Order. I have been told that the police did not explain, as they are required to do, that the Serjeant was not obliged to consent, or that a warrant could have been insisted upon. *[Interruption.]* Order. Let me make the statement. I regret that a consent form was then signed by the Serjeant at Arms, without consulting the Clerk of the House.

I must make it clear to the House—*[Interruption.]* Order. I must make it clear to the House that I was not asked the question of whether consent should be given, or whether a warrant should have been insisted on. I did not personally authorise the search. It was later that evening that I was told that the search had gone ahead only on the basis of a consent form. I further regret that I was formally told by the police only yesterday, by letter from Assistant Commissioner Robert Quick, that the hon. Member was arrested on 27 November on suspicion of conspiring to commit misconduct in public office and on suspicion of aiding and abetting misconduct in public office.

[Mr. Speaker]

I have reviewed the handling of this matter. From now on, a warrant will always be required when a search—[Hon. Members: "Oh!"] Order. If the hon. Gentleman will let me finish—I have waited for four days. Some have been able to go on television; I have not had that luxury. I have not been able to speak to the media. A warrant will always be required when a search of a Member's office, or access to a Member's parliamentary papers, is sought. Every case must be referred for my personal decision, as it is my responsibility. All this will be made clear in a protocol issued under my name to all hon. Members.

Lastly, I have decided, myself, to refer the matter of the seizure by police of material belonging to the hon. Member for Ashford to a Committee of seven senior and experienced Members, nominated by me, to report as soon as possible. I expect the motion necessary to establish this Committee to be tabled by the Government for debate on Monday. I also expect a report of the Committee to be debated by this House as soon as possible thereafter.

Mr. Michael Howard (Folkestone and Hythe) (Con): On a point of order, Mr. Speaker. I thank you for your statement, thank you for the debate and welcome your decision to set up the Committee. You, Sir, will readily appreciate the outrage that was felt on both sides of the House about the attack on the ability of one of its Members to do the job he was sent here to do—to represent his constituents and to hold the Government to account.

You will be aware, of course, that what happened last Thursday was not simply a search of his premises, serious though that was, but the removal of his computers containing his constituency casework, the removal of his mobile telephone and the disconnection of the telephones at his constituency home. This attack was entirely without precedent, and is—

Mr. Speaker: Order. I am very reluctant to interrupt a right hon. and learned Member, especially a former Leader of Her Majesty's Opposition, but those things can come up in the debate on Monday. *[Interruption.]* May I help the right hon. and learned Gentleman? Obviously, when any hon. Member is in any difficulty, I feel that it is my duty to try to help as best I can. With regard to the computer equipment being removed, when I discovered that, I instructed the Serjeant at Arms to ensure that the police had that equipment back in the office on Monday to allow the hon. Member concerned to function properly as a Member of Parliament. Please remember that this is a point of order and not a debate.

Mr. Howard: Well, Sir, may I ask about the debate? Will you make it clear that any Member who takes part in that debate will be free to question the conduct in this deplorable affair of Ministers, of civil servants and of the House authorities?

Mr. Speaker: It is up to the Government to table the motion. I do not have powers to table the motion. *[Interruption.]* Order. I only have the powers that this House has given me. It is up to the Government to table the motion, and I have made that clear. The terms of the motion will determine the nature of the debate. That is the best that I can say to the right hon. and learned Gentleman at the moment.

Several hon. Members *rose—*

Mr. Speaker: Order. I want to take a point of order from Sir Ming Campbell.

Sir Menzies Campbell (North-East Fife) (LD): Mr. Speaker, you were right to acknowledge that there is a serious issue at stake here, which is why I would like to ask whether you are in a position to be more specific about the remit and the powers of the Committee that you have proposed. Surely it will be right for that Committee to keep account of the fact that none of us is above the law, but that that principle applies to the police as much as to any of us. What you have said about the absence of a warrant raises a number of very significant questions for the Committee, and I am pleased to hear you say that you intend to produce, by your own hand, a suitable protocol. However, the law includes not just the criminal law but the rights, duties and privileges of all Members of this House, as evidenced by the constitution under which we serve. Will you give the House an assurance, so far as you can, that the membership of that Committee will be such that it will be entitled to have access to information from every source—Government, Opposition if necessary, police, and indeed Officers of the House of Commons?

Mr. Speaker: Let me say to the right hon. and learned Gentleman that I will seek to allow a situation whereby that Committee, which I have set up, will have as much power as I can possibly allow. I thank him for raising that matter—and I take it that that was an application to join the Committee.

John Reid (Airdrie and Shotts) (Lab): This is not an application, Mr. Speaker, but can you assure us that, during the considerations of that Committee, as well as during the debate that is to surround these issues, which are grave issues and raise concerns on both sides of the House, four principles, not one principle, will be discussed? The first, of course, is the rights and privileges of Members of Parliament, but the second is the principle that, outside those particular rights and privileges, we are all, as citizens of this country, subject to the law as well.

Thirdly, whether or not Ministers should have been consulted, the principle of the independent operation of the police should be reasserted, as indeed it was during the investigations into the pervious Prime Minister and his staff. *[Interruption.]* Some of those points would carry a little more weight if they had been raised during that period.

Finally, the principle of the political neutrality of the civil service will also be—*[Interruption.]*

Mr. Speaker: Order. I call the hon. Member for Ashford, Damian Green.

Damian Green (Ashford) (Con): Thank you for your statement, Mr. Speaker, and for granting the debate. I also thank the hon. Members in all parts of the House and the very many members of the public who expressed

support for me over the weekend. May I make it absolutely clear that I believe that Members of Parliament are not above the law? Those who have the real power in this country—Ministers, senior civil servants and the police—are not beyond the law or beyond scrutiny, either. An MP endangering national security would be a disgrace; an MP exposing embarrassing facts about Home Office policy that Ministers are hiding is doing a job in the public interest. The day when exposing facts that Ministers would prefer to keep hidden becomes a crime will be a bad day for democracy in this country.

Mr. Denis MacShane (Rotherham) (Lab) *rose—*

Mr. Speaker: I am sure that Mr. MacShane has a proper point of order.

Mr. MacShane: Further to those points of order, Mr. Speaker. First, there is widespread concern across the House about everything that has happened. Secondly, thank you for saying from the Chair that from now on, a properly executed warrant must be presented to you, and it will be your decision whether the police come into the House of Commons for any reason—we can debate the extent of parliamentary privilege later. Thirdly, as a former Minister, a systematic breach of confidence in a Minister's office destroys confidence in democratic government, especially when it involves collusion with one of the Opposition parties. That, too, must be discussed.

Mr. Speaker: Order. This is not the first time that hon. Members have used points of order to seek a mini debate, and that is what this is fast turning into—but I will take the points of order, because I am aware of the anger in the Chamber.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): Thank you for your statement, Mr. Speaker, but may I press you a little bit further? You have directed the Executive to draft the motion, but many of us are concerned that they are party to the whole issue that took place with the arrest of my hon. Friend— *[Interruption.]*

Mr. Speaker: Order. I cannot hear the right hon. Gentleman speak.

Mr. Duncan Smith: My concern is that the motion may well be drafted in such a way as to limit the scope of the debate. I wonder whether, through your office, you will direct the Executive to listen to all representations made from both sides of the House.

Mr. Speaker: I say to the right hon. Gentleman that the motion will be amendable. *[Interruption.]* Order. Mr. Penning, when I am trying to address a right hon. Gentleman, it is not helpful when you throw in your tuppence-worth. Try to be quiet. The motion will be amendable. I have given more than a hint about the type of motion that I want the Government to lay down.

Mr. David Winnick (Walsall, North) (Lab): On a point of order, Mr. Speaker. I can well appreciate your frustration at having to wait for four days, but you were absolutely right to make your comments to the House, as you have done, which we appreciate. All that you have said makes me all the more convinced that what took place—the raid and the arrest of the hon. Gentleman —was totally without justification. There was a breach of parliamentary convention, and I would like to see those responsible—the most senior police officers involved—come to the Bar of the House and explain their conduct. That would be quite apart from the Committee that you have suggested should be set up by the House. We need an explanation—and we need it promptly—of why the police acted as they did. *[Interruption.]*

Mr. Speaker: Order. Mr. Hogg.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): On a point of order, Mr. Speaker. Would you be kind enough to confirm that the police are not above the law? What has happened here is that they have entered this House without a warrant. They failed to tell the Serjeant at Arms that she could refuse that entry. That is a scandal, and the police have behaved deplorably. Could you advise the House, Mr. Speaker, about what powers we have to call those senior police officers to account for what is a scandal?

Mr. Speaker: The right hon. and learned Gentleman clearly read my statement that the police did not convey to the Serjeant the fact that she would have had an opportunity to refuse the document of request to search. It was not a search warrant. The right hon. and learned Gentleman is a learned lawyer and Queen's counsel, and will know that they also had an obligation to say that a warrant could be demanded. They did not do that and they were wrong, and that is why I put that in my statement.

Let me say to the right hon. and learned Gentleman that that is why I am seeking seven experienced parliamentarians to look into this matter. I have already said to the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) that I hope and pray that their powers will be very strong indeed.

Andrew Mackinlay (Thurrock) (Lab): On a point of order, Mr. Speaker. I thank you for your statement. I listened to it carefully, and I wonder whether I can ask this question about what is not clear: at what time was the Clerk of the House of Commons—the chief executive of the House—or the Clerk Assistant informed, and when did they speak to you? Were they available?

Mr. Speaker: The hon. Gentleman has been in the House long enough to know that he cannot question my statement. We will leave it at that.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Mr. Speaker, I think that there has been a general welcome in the House for the mechanism that you have suggested for dealing with a very grave and serious matter that goes far beyond party. It is about whether constituents and others can communicate with Members of Parliament safe in the knowledge that the information will be held in confidence, and for the use for which they have directed it.

However, the procedure that you have outlined differs in one respect from the procedure that would have been used if it had been entirely and only a matter of privilege. A Standards and Privileges Committee report gives the

[Sir Alan Beith]

House an opportunity to vote quite specifically on what measures should be taken. Are you satisfied that following the procedure that you have described, the House will have an opportunity—as a whole, and with the full support of the House—to say to its officers, "We direct and will support you in the robust defence of the right of constituents to communicate with Members"? The House as a whole needs to say that if these important rights are to be protected.

Mr. Speaker: Those are matters on which the Committee will report back to the House.

Several hon. Members *rose—*

Mr. Speaker: Order. I am not going to continue taking points of order all day. I make that clear. Mr. Levitt.

Tom Levitt (High Peak) (Lab): Thank you, Mr. Speaker. Notwithstanding the details of this particular case, would it be in order for you to reassert on behalf of the House the right of Ministers to expect 100 per cent. loyalty and discretion from their staff, and to say that we are proud of the professional and independent civil servants—*[Interruption.]*

Mr. Speaker: Order. I will take an intervention from Sir Patrick, and then I will go on to the business of the day.

Sir Patrick Cormack (South Staffordshire) (Con): Mr. Speaker, in thanking you for your statement, could I ask you whether it is your intention that the debate on Monday will be a full day's debate? Could you give the House some idea of when you expect the Committee of seven to report?

Mr. Speaker: May I point out to the hon. Gentleman that this is a matter for the Government? *[Interruption.]* Order. This is a matter for the Government. I shall call Mr. George Howarth, and then I will close this business and move on.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): Thank you, Mr. Speaker. Given that next Monday's debate has within it the potential to be used to prejudice any future prosecution, would you, Mr. Speaker, give consideration to issuing some guidance as to the terms in which the motion that is laid down should be debated?

Mr. Speaker: I just do my best on a daily basis to give guidance.

Several hon. Members *rose—*

Mr. Speaker: I am sorry, but I am not taking any more points of order. *[Interruption.]* Order. There will be no more points of order on the matter.

OUTLAWRIES BILL

A Bill for the more effectual preventing Clandestine Outlawries was read the First time, and ordered to be read a Second time.

Queen's Speech

Mr. Speaker: I have to acquaint the House that this House has this day attended Her Majesty in the House of Peers, and that Her Majesty was pleased to make a Most Gracious Speech from the Throne to both Houses of Parliament, of which I have, for greater accuracy, obtained a copy. *[Interruption.]* Order. Could I ask hon. Members—*[Interruption.]* I am reading out a statement, and they must be quiet.

I shall direct that the terms of the Gracious Speech be printed in the Votes and Proceedings. Copies are available in the Vote Office.

The Gracious Speech was as follows:

My Lords and Members of the House of Commons

My Government's overriding priority is to ensure the stability of the British economy during the global economic downturn. My Government is committed to helping families and businesses through difficult times.

The strength of the financial sector is vital to the future vibrancy of the economy. Therefore, legislation will continue to be taken forward to ensure fairer and more secure protection for bank depositors and to improve the resilience of the financial sector.

My Government will also bring forward proposals to create Saving Gateway Accounts to encourage people on lower incomes to save more by offering financial incentives.

My Government will bring forward legislation to promote local economic development and to create greater opportunities for community and individual involvement in local decision-making.

A Bill will be brought forward to reform the welfare system, to improve incentives for people to move from benefits into sustained employment and to provide greater support, choice and control for disabled people.

My Government is committed to protecting the public and ensuring the nation's safety.

A Bill will be brought forward to increase the effectiveness and public accountability of policing, to reduce crime and disorder and to enhance airport security.

My Government will also bring forward a Bill to deliver a more effective, transparent and responsive justice system for victims, witnesses and the wider public. The Bill would also improve the coroners service, and the process of death certification, and provide increased support for bereaved families, including the families of servicemen and women.

A Bill will be brought forward to strengthen border controls, by bringing together customs and immigration powers. The Bill would also ensure that newcomers to the United Kingdom earn the right to stay.

My Government is committed to ensuring everyone has a fair chance in life. My Government will bring forward a Bill to promote equality, fight discrimination and introduce transparency in the workplace to help address the difference in pay between men and women.

My Government will enshrine in law its commitment to eradicate child poverty by 2020.

Because the health of the nation is vital to its success and well-being, a Bill will be brought forward to strengthen the National Health Service. The Bill would create a duty to take account of the new National Health Service Constitution that will set out the core principles of the

Service and the rights and responsibilities of patients and staff. The Bill would also introduce measures to improve the quality of health care and public health.

My Government will bring forward a Bill to reform education, training and apprenticeships, to promote excellence in all schools, to improve local services for children and parents and to provide a right for those in work to request time for training.

My Government will continue to take forward proposals on constitutional renewal, including strengthening the role of Parliament and other measures.

My Government will bring forward measures to protect the environment for future generations. A Bill will be introduced to manage marine resources and to create a new right of public access to the coastline.

My Government will continue to work closely with the devolved administrations in the interests of all the people of the United Kingdom. My Government is committed to the Northern Ireland political process and will bring forward further measures for sustainable, devolved government.

Members of the House of Commons

Estimates for the public services will be laid before you.

My Lords and Members of the House of Commons

My Government will work towards European action on economic stability, on climate change, on energy, enlargement and security.

My Government will work for a coordinated international response to the global downturn, including by hosting the next G20 Summit on financial markets and the world economy in the United Kingdom in April next year and reforming financial institutions. My Government will continue to work as part of the North Atlantic Treaty Organisation including at its sixtieth anniversary summit.

My Government will press for a comprehensive peace settlement in the Middle East, for continued progress in Iraq and for effective measures to address concerns over Iran's nuclear programme.

My Government will work with the Governments of Afghanistan and Pakistan for security, stability and prosperity.

The Duke of Edinburgh and I look forward to receiving the President of Mexico.

Other measures will be laid before you.

My Lords and Members of the House of Commons

I pray that the blessing of Almighty God may rest upon your counsels.

Debate on the Address

[1st Day]

Mr. Speaker: Before I call the mover and seconder, I want to announce the proposed pattern of debate during the remaining days on the Loyal Address. Thursday 4 December—home affairs and justice; Monday 8 December—employment, universities and skills, and housing; Wednesday 10 December—foreign affairs and defence; Thursday 11 December—health and education; Monday 15 December—economy, pensions and welfare.

2.56 pm

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I beg to move,

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

When I was asked by the Chief Whip to move the Address, I was extremely proud and honoured, not least for my constituency of Coatbridge, Chryston and Bellshill, and to be seconded by my hon. Friend the Member for Erewash (Liz Blackman), who, among other issues, has an excellent reputation for bringing autism to the fore.

Christened Thomas, I have throughout my life been instinctively suspicious of well-meaning gestures, even one such as this, so naturally I pondered, "Why me?" All was revealed when my hon. Friend the Member for Coventry, South (Mr. Cunningham), a man of great wisdom and knowledge, met me in the Lobby. The tone of our conversation reminded me of the fact that as boys we both attended St. Mary's school in Coatbridge. In his own inimitable style, he said, "I hear you're moving the Address." "That's right, Jim." "Do you know why you were selected?" "No, Jim." "Do you want to know?" "Yes, Jim." He said, "According to Alex Salmond, you've the safest seat in this House and you will be the only Scottish Labour MP to be re-elected." Responding, I replied, "The right hon. Member for Banff and Buchan claimed Labour would lose the Glenrothes by-election, and we didn't, so we're all still here."

There are three distinctive areas within my constituency of Coatbridge, Chryston and Bellshill. Historically, the one common feature that connected all three was the contribution to heavy industry. Ironworks, steelmaking and coal mining were once the main sources of employment. I want to pay tribute to those who worked hard to look after their families, as many of them died far too prematurely because of associated illness and disease, often linked with those heavy industries. A special tribute is due to all the women, who, as a consequence, were widowed and left to raise a family single handed.

Today, the older heavy industries have almost disappeared, and newer light industries are taking their place. Coatbridge has a new £10 million redevelopment project at the Summerlee heritage park, which graphically illustrates our history and, just as vitally, our potential.

[Mr. Tom Clarke]

Chryston embraces communities such as Moodiesburn, Muirhead, Stepps, Auchinloch and Gartcosh. One of the darkest days that that community suffered was 18 September 1959 when an inferno raged deep below in the coal mine. It became known as the Auchengeich disaster, in which 47 men lost their lives. We are approaching the 50th anniversary, and many people still turn out to show their respect each year.

With the utmost humility and poignancy, I wish to add my father to the endless list of men who died as victims of pneumoconiosis without a penny in compensation. My late mother, Mary Gordon, born in Armagh, was left to raise a large family with nothing like the benefits that are rightly paid to widows and families today. That is why I will be eternally grateful that, under this Labour Government, the largest ever financial compensation—nearly £7.5 billion—was paid out to miners and their families who had been affected by diseases through working in such appalling mining conditions.

Among the many improvements in my constituency is a large site, formerly the Gartcosh steelworks, which is now well on its way to being redeveloped as part of a multi-million pound regeneration programme. Such investment has laid the foundations for Gartcosh to be completely transformed socially and economically, which is very welcome given the traditions of my industrial constituency.

Bellshill boy Billy McNeill captained Celtic, the first British team to hold aloft the European cup, in Lisbon. Another proud son of the town was Sir Matt Busby, who became the manager of Manchester United—for the record, the second team from Britain to win the European cup.

My predecessor, the late and much loved Jimmy Dempsey MP, lived in Bellshill and his wife Jane still closely observes political events here at Westminster. Jimmy was renowned for his tireless work in helping to bring jobs to the county of Lanarkshire. He would marvel at the volume of employment opportunities in the Bellshill area. Between the business park and the food park, there are approximately 8,500 jobs.

Bellshill also gave birth to one of the finest and most outstanding parliamentarians of our time, Robin Cook.

I do not wish to claim that I am alone in working hard for my constituents. In my experience, hon. Members of all parties are genuinely committed to their work in Parliament and their communities. For example, it would be remiss of me not to pay tribute to hard-working hon. Members who supported victims of pleural plaques. Tragic sufferers of asbestos-related diseases need a compensation package similar to that paid out to the miners.

During my time here I have served both as a Back Bencher and on the Front Bench. One particular highlight was the time that I spent working under the leadership of the late John Smith, my neighbouring MP, who was destined to become Prime Minister before his sudden and untimely death. When I was shadow Cabinet spokesperson for disability under Tony Blair, I worked closely with the right hon. Member for Richmond, Yorks (Mr. Hague). His Disability Discrimination Act 1995 stands, no matter what else he does, as a considerable achievement. I hope that my praise for him does not damage his future prospects—or, perhaps more importantly, mine.

It would also be remiss of me not to pay a warm tribute to my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty), who later served as my Parliamentary Private Secretary and who, in my view, would make an excellent Minister himself. The House also appreciates his hard work as Chairman of the European Scrutiny Committee.

In my time here I have always tried to work closely with members of other parties, including the Liberal Democrats, such as the right hon. Member for Ross, Skye and Lochaber (Mr. Kennedy). Just last week I was speaking in a debate at Glasgow university, where he is the distinguished rector, and I can assure him that he is held in the highest esteem. Indeed, more recently, on a flight down here, I overheard that there might be some imminent vacancies on the Lib Dem Front Bench. If he finds himself back there, I wish him well.

During debates here I often follow my namesake, the right hon. and learned Member for Rushcliffe (Mr. Clarke). Occasionally, we also receive each other's mail. Not long ago, I read a postcard from a woman who wrote:

"Dear Mr. Clarke,

You are an absolute disgrace. Having betrayed us on Europe, I will never vote for you again."

I took that as a compliment and I urge the right hon. and learned Gentleman to do the same.

Since becoming a Member of this House, I have set myself three priorities: first, and most importantly, to represent the interests of my constituents. Secondly, I feel as passionately about supporting disabled peoples' rights today as I did when I helped to steer the Disabled Persons (Services, Consultation and Representation) Act 1986 on to the statute book, and that will never change.

Thirdly, in the year of the Make Poverty History campaign, and with the unanimous support of the House, I succeeded with another private Member's Bill, which became the International Development (Reporting and Transparency) Act 2006—incidentally, I acknowledge the role that the then Secretary of State for International Development, my right hon. Friend the Member for Leeds, Central (Hilary Benn), and his ministerial team played. That is why I welcome the Government's—and especially the Prime Minister's—determination to achieve the millennium development goals. The figure of 0.7 per cent. of gross national income is still our objective for 2013. I have every confidence that the Government will deliver, and I have noted the support of those on the Opposition Front Benches.

There is much to welcome in the Gracious Speech. The banks' responsibility to consumers, the Bill reforming training and apprenticeships, and ensuring an end to child poverty by 2020 are among the priorities that my constituents will find practical and helpful.

In this debate on the Gracious Speech, the dominant issue is the fragility of the global economy, but let us not forget that thousands of UK troops, from almost every constituency, are sacrificing themselves in a war against extremism. In the Congo and Darfur, displaced people face a violent non-future. Here, and across the developed world, people face the threat of losing their jobs and homes. People who are in poverty, people with

disabilities and the people dying in the third world have to overcome many more hurdles than we face in this global downturn, and we should look to their example for inspiration. I passionately believe that, whatever their circumstances, British people have the character to be creative and confident. Working together, we will, we can and we must succeed. In that positive spirit, I commend the Gracious Speech to the House.

3.11 pm

Liz Blackman (Erewash) (Lab): It is with great pride that I stand to second the Loyal Address. It is a huge honour for me and my constituents, and I am particularly pleased to follow my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke). On every occasion that our paths have crossed, I have thought what a charming man he is, with his soft Scottish lilt, but people should not be fooled: whenever he sets his sights on a target, he goes after it with utter determination and deadliness. During his 26 years in the House, he has campaigned to improve the lives of disabled people, their families and their carers. He has done so with awesome determination and massive success, and I pay tribute to him.

Another charming, and some might say deadly, man is the Chief Whip. I am still in a state of shock because he has invited me to speak today. First, because I have been a Government Whip, I have not spoken in a debate for more than two years—so no pressure there! Secondly, I do not exactly fit the profile of the young, up-and-coming Members who are usually called on to perform this honour. My hon. Friend the Member for Motherwell and Wishaw (Mr. Roy) put it another way when I confided in him, in the Tea Room. He said, "That's great," and added, after a pause, "No offence, hen, but they normally pick 'em younger." Whatever the reason that I have been chosen, I am incredibly honoured.

In 1997, I found my way here, as the proud Member of Parliament for Erewash after 25 years in the classroom. "So, what exactly is the difference, Miss?" asked one of my pupils. The only comment from my dad, who does not hold politicians in high regard, was, "Well, at least you've done a proper job first."

My constituency is pronounced "Erreywash", not "Airwash", and certainly not "Earwash", and it is found between Nottingham and Derby. Most of its people live in the market towns of Long Eaton, to the south, and Ilkeston to the north. Sandiacre sits between the two and has a sizeable population. There are also a number of villages stretching out towards Derby. I wonder how many Members were brought up watching "Citizen Smith" from the Tooting Popular Front. I am glad to say that Robert Lindsay is a local lad.

Coal, lace and heavy engineering are at the heart of Erewash's industrial heritage. At one time, Stanton Ironworks employed 12,500 people. One of its products are manhole covers, which can be found all over the world, even on my walk into the Commons. In fact, last week, in preparation for this speech, I was crouching down in the middle of Horseferry road, forensically examining one of those engineering masterpieces, when a certain Leo Beckett, the husband of the Minister for Housing, my right hon. Friend the Member for Derby, South (Margaret Beckett), suddenly appeared. I did not explain my strange behaviour, and he was certainly far too polite to ask what I was doing. However, I did catch him looking at me rather oddly as we walked along. He was clearly thinking, "What is this woman on?"

The old industries in my constituency have now all gone, but niche engineering and light manufacturing are holding their own. Members' three-piece suites—perhaps from John Lewis; perhaps not—could well have been made in Erewash. The area has seen other changes, too. There have been vast improvements in health and education, and there is a vibrant voluntary sector. There is a newly formed credit union to protect people from doorstep lenders, and more people are in work. One thing that we need, however, and which we do not have, is a station at Ilkeston. With that in mind, I am currently stalking my right hon. Friend the Secretary of State for Transport. I remind him about the need for the station every time our paths cross—which, funnily enough, I find happening less and less often.

Given the industrial background of my constituency, Members will not be surprised to learn that the people there are pretty blunt. In 2005, the perma-tanned leader of a political party called Veritas put himself up as a candidate for the constituency in the general election. A local radio station conducted a vox pop, seeking people's reactions. The broadcast ended rather abruptly when a woman said, "Kilroy-Silk, my MP? Kilroy-Silk, my ar—". At that precise moment, the producer pressed the "silent" button, so the "s" never arrived, but the woman's sentiments certainly did.

It takes a lot to impress the youngsters in my constituency, too. "Have you met the Queen?" asked one small child. "Yes," I replied. "Ooh! Have you met the Prime Minister?" "Yes." "Wow! Have you met David Beckham?" "No." "Oh." I dropped right down in his estimation after that, and never recovered.

The best thing about the people I represent is that they give me advice, and plenty of it, without charge, wherever I go. They tell me when they are happy, and they tell me when they are not. They are good, hard-working, decent people with a strong sense of community.

The subjects that I have concerned myself with in the House have mainly been rooted in the constituency that I represent, but I was honoured to be the chair of the all-party group on autism for several years. The group pushed the agenda on, but the provision of better services for adults with autism is still work in progress. The great strength of an all-party group is that it does exactly what it says on the tin: it puts party politics to one side in the interests of progress.

Putting party politics to one side was not the mantra of the Whips Office, but I enjoyed my time there, too. I would like to take this opportunity to thank my former east midlands group for being so approachable, my hon. Friend the Member for Bolsover (Mr. Skinner) for enriching my vocabulary, and the wider membership for the innovative reasons that they gave for being unable to do statutory instrument Committees on a one-line Whip on Thursdays. Echoes of my teaching past flooded back at such times. "The dog ate my homework, Mrs. Blackman." "My mam says I can't stop 'cos I've to be home early." Colleagues offered those traditional excuses in a modern setting. However, even my dad was proud when I became Vice-Chamberlain of Her Majesty's Household. So was I. It was an honour that I will never forget.

I must now return to the people whom I represent. It is these same communities of these people who are

[Liz Blackman]

looking to this Government and this House at this time for all the support that we can give them. It is a particular pleasure to second the Address as so much of it is relevant to what most concerns my constituents. They want to know that the financial system is as robust and responsive as we can make it and that their hard-earned savings are totally safe. The banking Bill will help here. Poorer people want more for their children and a safety blanket of knowing that there is a little put by, so the child poverty Bill and the savings Bill will respond to them. They want to be able to take advantage of opportunities wherever and whenever they arise. Measures in the children, schools and learning Bill will develop and improve their skills, and the welfare reform Bill will offer more support to those on benefit, those with mental health problems and those with disabilities. My constituents will also welcome the measures in the policing and crime Bill that clamp down on the pockets of mind-numbing, alcohol-fuelled yobbish behaviour that ruin their neighbourhoods. We live in tough times and I believe that all these measures will make a difference.

To conclude, I have now come full circle and back to education, my first love, as Parliamentary Private Secretary to the Minister for Schools and Learners—and I am loving it. However, as a born-again Back Bencher, I feel that I must warn my Whip that on a distant Thursday on a one-line Whip where a statutory instrument is on offer, I may have to say to her, "The dog ate the notification and, anyway, I can't stop 'cos I've to be home early."

It is the greatest honour, Mr. Speaker, to second the Gracious Speech.

3.21 pm

Mr. David Cameron (Witney) (Con): Let me start by congratulating the proposer and seconder of the Loyal Address. The right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) gave a moving speech about his constituency and about his family. If I may repay the compliment he paid my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), the right hon. Gentleman, with his excellent work on disability and international development, is indeed admired on both sides of the House.

I have done my homework and I gather that the right hon. Member for Coatbridge, Chryston and Bellshill is a Brownite; I also gather that he paid the ultimate price when he was, of course, sacked by Tony Blair. I understand that from 1997 to 1998, the right hon. Gentleman was the Minister with responsibility for film. It is said that on the day he was caught up in the Blair-Brown blood feud and fired, he was actually having drinks on the terrace with Liz Hurley and Hugh Grant—early membership of the Notting Hill set, perhaps. The next day, the right hon. Gentleman was back in the Tea Room with his mates, so we could say that one minute he was hobnobbing with the stars and the next minute he was starring with the Hobnobs.

I feel sure that the Prime Minister will offer the right hon. Gentleman another job, and I think I know what it will be. As film Minister, he met the Spice Girls, I believe, on the eve of their break-up and he described the departure of Geri Halliwell as

"a little local difficulty that they are perfectly capable of sorting out".

With PR skills like that, there must be a job for him in the Downing street bunker.

The hon. Member for Erewash (Liz Blackman), who seconded the Loyal Address, also did a great job. I thought she made a wonderful speech: it was witty, human and personal, while also powerful about what matters most in politics to her. She reminded us of the vital service she provided at the last election when she served all parties, everyone in the House and, indeed, the entire nation when she defeated Robert Kilroy-Silk.

The hon. Lady did not tell us very much about her time in the Whips Office, but she did tell us about her important work as a schoolteacher. I think I have the key to what went wrong. She once gave an interview to a bunch of schoolchildren and, when asked what Whips did, explained:

"Whips listen a lot to what other MPs think."

I am sure that the Whips, who are, as ever, nicely spread out on the Government Benches, will be sitting and listening very quietly today.

We should also today record the passing of some very dedicated Members of this House. John MacDougall was a popular MP and a dedicated servant of the people of Fife. Gwyneth Dunwoody was the very model of an independent Member of this place: she would stick to her guns and challenge authority and she is, I believe, missed on both sides of the House.

Others have also left Parliament, not least Boris Johnson following his election as Mayor of London. I know how much the Prime Minister enjoys working with him and following him as he waves the flag for Britain. Perhaps I can say that I hope one day to be upstaged in exactly the same way.

There has of course been one spectacular return to Parliament: I refer, of course, to the Business Secretary, or, to give him his full title, Baron Mandelson of Foy in the County of Herefordshire and of Hartlepool in the County of Durham—it is good to know he is not taken with the trappings of office. On Saturday, the Business Secretary said that the Prime Minister was like Moses, and was going to lead people

"away from this economic mess to the promised land."

I know that I do not have to remind the son of the manse that Moses never actually made it to the promised land, and he was not responsible for an economic mess, either.

The Peter Mandelson who on Saturday described the Prime Minister as Moses cannot possibly be the same Peter Mandelson who was reported on Sunday in the following way: we read that the late Hugo Young, after long lunches with Peter Mandelson, would write in his diary that senior Labour figures had described the Prime Minister as

"niggardly, brooding, credit-grasping, impossible to work with and fatally flawed."

I am sure that at some stage the real Peter Mandelson will stand up.

As well as those who have left us and those who have returned, there is of course one person who is here despite the best efforts of the Government, and that is my hon. Friend the Member for Ashford (Damian Green). *[Interruption.]* I hope there is something—*[Interruption.]*

Mr. Speaker: Order.

Mr. Cameron: I mentioned the Whips spread about the Chamber, and they have already started their shouting. Labour MPs used to shout for free; they now have to be paid to do it. I hope there is something we can all agree on: Parliament is here to call the Government to account, to question, to challenge and to publish information that is in the public interest. That is why we are here. Is not that what the ceremony this morning is all about? When we slam the door in the face of the Queen's representative and assert the right of the public to challenge the Government and to know the truth about the country we live in, that is Parliament doing its job.

Michael Jabez Foster (Hastings and Rye) (Lab): When did the right hon. Gentleman first know that his immigration spokesman was receiving information from a mole at the Home Office?

Mr. Cameron: What I have explained over and over again is that the information published by my hon. Friend has nothing to do with national security and everything to do with revealing the fact that the Government have tried to cover up information. Let me invite the hon. Gentleman to intervene again if he can tell me which of the stories put into the public domain the public do not have a right to know. Do we not have a right to know that the security industry is riddled with illegal immigration? Do we not have a right to know that the Home Office is looking at voting figures for Labour MPs that should be in the Whips Office? Do we not have a right to know that this House has been employing people who should not be here? Those are things the public have a right to know and my hon. Friend was entirely right to publish them.

I want to focus—

Several hon. Members *rose*—

Mr. Cameron: I want to make a little more progress before I give way again.

I want to focus on one question that I think is being asked up and down the country: where does the Prime Minister stand on this issue? *[Interruption.]* Does he think it is right for a Member of Parliament to be arrested and held for nine hours, to have his offices searched by anti-terrorism police, and to have his house raided and his daughter reduced to tears?

Several hon. Members *rose*—

Mr. Speaker: Order. The right hon. Gentleman says he will not give way just now. He will give way, but he will not—*[Interruption.]* Order. Members must allow the right hon. Gentleman to speak.

Michael Jabez Foster: On a point of order, Mr. Speaker.

Mr. Speaker: I do not think that it will be a point of order, and I ask the hon. Gentleman to give me a guarantee that it will be.

Michael Jabez Foster: The point of order is that the right hon. Gentleman invited me to respond.

Mr. Speaker: I knew it would not be a point of order. I invite the right hon. Gentleman, the Leader of the Opposition, to continue.

Mr. Cameron: Which of the stories I mentioned should not be in the public domain? I give way to the hon. Gentleman on that point.

Michael Jabez Foster: The right hon. Gentleman asked another question—*[Interruption.]*

Mr. Speaker: Order. Members should now let the hon. Gentleman speak.

Michael Jabez Foster: What the right hon. Gentleman needs to tell us is who is paying for the civil servant's legal fees with Bindmans.

Mr. Cameron: This is quite extraordinary. The approach that the hon. Gentleman is taking, and that some Labour Front-Bench Members seem to be taking, is that Members of Parliament should not release information that is in the public interest and that they should be pursued and arrested for doing so. If that approach had been taken when the Prime Minister was in opposition, he would have spent most of his life in prison. *[Interruption.]* Well, he laughs about it now, but he produced leak after leak after leak, all of which he claimed were in the public interest.

Several hon. Members *rose*—

Mr. Cameron: Let me just make the following point to the Prime Minister, and then I will give way to all the Members who are standing. It is no good the Prime Minister hiding behind the defence of "I didn't know" and "I support the operational independence of the police." People want to know—*[Interruption.]* People know what I believe; what people want to know is what the Prime Minister believes. He has told us endlessly about the independence of the police; what about the independence of this place and its Members? People want to know whether our democracy, and our right to challenge and to question and oppose, are safe under this Government and this Prime Minister, and I hope that when he speaks' he will have the courage to get off the fence and tell us what he believes.

Clive Efford (Eltham) (Lab): The right hon. Gentleman has made a great deal of the control of information and how people should handle information. Will he tell us when it is appropriate for the chair of the Metropolitan Police Authority to ring someone who is under investigation by the Metropolitan police?

Mr. Cameron: What the chairman of the police authority, the Mayor of London, did when the police told him about their plans was give them the trenchant view that that was a mistake, and I happen to agree with him; I think it was a mistake. What I find so staggering is that Members of Parliament, who should be thinking about how we defend the public's right to know and how we defend challenging the Government, are quite happy to say, "Come and get me." That seems to be the hon. Gentleman's attitude.

Several hon. Members *rose*—

Mr. Cameron: Let us see if we can get a bit more sense out of the hon. Member for Ealing, North (Stephen Pound); he normally stands up for Parliament, so let us find out if he will stand up for Parliament now.

Stephen Pound (Ealing, North) (Lab): Like everybody in this Chamber, I will, of course, stand up for Parliament. Have the right hon. Gentleman or the party he leads taken any legal advice on the difference between receiving a leak and inducing one?

Mr. Cameron: Let me explain to the hon. Gentleman the approach that we take. What my hon. Friend the Member for Ashford has done is publish information the public have a right to know—about cover-ups in the Home Office, about maladministration and about illegal immigration, all subjects that the Government are not clear about. He has not done anything that is to do with national security; that is the judgment that the Opposition have to make, and I am very confident we made the right judgment. It is exactly the same judgment the Prime Minister made when he was in opposition and lived off a diet of leaks, some of which did concern national security.

Several hon. Members *rose—*

Mr. Cameron: I shall give way now to the Chairman of the Public Administration Committee, the hon. Member for Cannock Chase (Dr. Wright).

Dr. Tony Wright (Cannock Chase) (Lab): The right hon. Gentleman would like to become Prime Minister one day. Is he really telling the House that as Prime Minister he would be perfectly relaxed about a civil servant committed to impartiality entering into an arrangement with an Opposition spokesman to release information on a continuing basis in breach of the civil service code?

Mr. Cameron: Let me tell the hon. Gentleman what I am not relaxed about. I am not relaxed about a Member of Parliament being arrested for doing his job. I am not relaxed and, incidentally, neither is Mr. Speaker, about the police coming and searching offices in Parliament. I am not relaxed about nine anti-terrorism officers going into the house of my hon. Friend the Member for Ashford and reducing his family to tears. I used to think that the hon. Gentleman believed in standing up for Parliament. I must say that yes, I do have ambitions to be Prime Minister, and I hope to take his seat in the process.

John Reid (Airdrie and Shotts) (Lab) *rose—*

Mr. Cameron: I shall take an intervention from the former Home Secretary.

John Reid: I am grateful to the Leader of the Opposition. This follows on from the point just made, which is one of fundamental principle. Whatever happened during this specific case—all of us have concerns about that, and they will be addressed—what the Leader of the Opposition is saying from the Dispatch Box is tantamount to the creation of a new principle if he were Prime Minister—*[Interruption.]* If Opposition Members will listen to me, I shall tell them what it is. He is announcing in advance that, as Prime Minister, he would be perfectly happy for any civil servant, on their own judgment, to release any information other than that classified for national security purposes and that he would support its publication for the public. Is that what he is saying?

Mr. Cameron: The right hon. Gentleman knows that that is absolutely not what I am saying. Of course no Government—I have worked for a Government—want to see information leaked. But the principle that he and others on the Labour Benches now seem to be putting forward is that it is all right for the police to arrest a Member of Parliament for doing his duty.

John Reid *rose—*

Mr. Cameron: I have answered the right hon. Gentleman's question. I have to say that he told us that the Home Office was "not fit for purpose". What my hon. Friend the Member for Ashford has done with the information that he has published is just prove that it is not fit for purpose. There are many former Home Secretaries in this House. Another one, the right hon. Member for Sheffield, Brightside (Mr. Blunkett), has said that he would have behaved quite differently had he been Home Secretary instead of the one whom we have in post.

Several hon. Members *rose—*

Mr. Cameron: I have given way extensively and I want to make some progress.

Mr. David Blunkett (Sheffield, Brightside) (Lab) *rose—*

Mr. Cameron: I mentioned the right hon. Gentleman, so I shall take his intervention.

John Reid: On a point of order, Mr. Speaker—

Mr. Speaker: Order. After the right hon. Gentleman's intervention, I shall take the point of order.

Mr. Blunkett: I would not want to delay the Leader of the Opposition in getting round to the Queen's Speech, but I just wish to put it on record that what I said was that I found the way in which the police had operated and behaved very disturbing; I thought it was heavy-handed. At no time have I suggested—nor would I—that the police did not have the right to investigate Members of Parliament.

Mr. Cameron: I listened very carefully to what the right hon. Gentleman said. The term that he used—"heavy-handed"—was exactly the one that I used when I was first asked about this issue. He takes a very common-sense view of these events, and I just wish it was shared more broadly on the Labour Benches.

John Reid: On a point of order, Mr. Speaker. Is it in order to point out, for the record, that the Leader of the Opposition inadvertently—*[Interruption.]*

Mr. Speaker: Order. I must take a point of order and I must be able to hear the point of order.

John Reid: Is it in order to point out that the Leader of the Opposition inadvertently misled the House when he suggested that I had supported the arrest of a Member of Parliament? I did no such thing; I said that

it was subject to inquiry. My point related to the point of principle, and not to the specific judgment as regards the hon. Member for Ashford.

Mr. Speaker: The right hon. Gentleman has gone into a point of debate, and it is not a point of order.

Mr. Cameron: People listening at home—

Several hon. Members *rose—*

Mr. Speaker: Order. The Leader of the Opposition has said that he wishes to move on and that he is not going to give way.

Mr. Cameron: We support the excellent work of our troops in Afghanistan and Iraq, and I would like to pay tribute to the two Royal Marines who were killed in Afghanistan on Thursday, Marine Tony Evans and Marine Georgie Sparks. We should remember once again all those whose names have been read out in this place over the last year, and what they have done to serve our country.

In Iraq, we support the draw-down of troops as conditions allow, and I am sure that the Prime Minister has learned that the draw-down must take place when appropriate and not according to some pre-announced political timetable.

On Afghanistan, the British Government will clearly come under pressure to increase troop numbers as President-elect Obama plans a surge in US forces. Does the Prime Minister agree that any proposal for an increase in British forces should be accompanied by an increase in troops from other NATO nations, an increase in helicopters to ensure that they are properly mobile, and an increase in equipment and protection for our troops? I hope he also agrees that we will not succeed in Afghanistan through military means alone. We need better co-ordination of aid, less corruption and better government. I hope that the Prime Minister will give us a realistic assessment of the situation when he speaks.

The work of our armed forces also reminds us of the threat that we face from global terrorism. We saw it last week with the appalling attacks in Mumbai, and our thoughts are with the friends and families of all those who lost their lives. We should be clear about what the terrorists are trying to do: they are trying to rob India of her rightful place in the global economy, to set one community against another, and to set east against west. We should also be clear that those terrorists will not stop trade and co-operation, and they will not break up the excellent relations that exist between Britain and India. We must never give in to that sort of terror.

One thing that was promised but that did not appear in the Queen's Speech was the draft floods Bill. The Secretary of State promised it for this Session, and I hope that the Prime Minister will be able to confirm that it will go ahead.

Of course, there are some things in the Queen's Speech that we welcome, not least because we proposed them. There is the NHS constitution—a Conservative idea. There is the independent exam regulator—I proposed that in 2005. There is a savings scheme with matching contributions—that was in our 2005 manifesto. More security for ports and airports was also in our 2005 manifesto. The Prime Minister likes to accuse me of writing that manifesto; he has now introduced most of it. Welfare reforms and direct elections for police accountability were both in my conference speech last year. The Prime Minister likes to accuse us of having no substance, but without Conservative substance there would be almost nothing of any worth in the Queen's Speech.

Let me tell the Prime Minister what is wrong with this Queen's Speech. There is no recognition in the Government's programme of how the world has changed. We are moving into an age in which there is no Government money left, so we need public sector reform to get better value for money. We are moving into an age of massive debt, so we need to mend the broken society and reduce the demands on the state. But in the Queen's Speech there is no serious reform, just bureaucratic bungling and technocratic tinkering. It is all about the short-term prospects of the Prime Minister, not the long-term future of the country. It is last year's Queen's Speech from yesterday's Prime Minister.

There is no change. Let us look at the promises that the Prime Minister made when he said—remember the phrase?—

"Let the work of change begin."

Let us examine them. We were told that there would be loads of eco-towns, but only one is still alive. He promised zero-carbon homes, but there have been virtually zero of them. There are just 15 in the whole country. He promised 3 million new homes, but house building fell by a quarter last year. What about free nursery education for all two-year-olds? That has been abandoned. More maintenance grants for students were granted last year, collapsed in a complete shambles this year and face massive cuts next year. Then there is the Prime Minister's promise of a new constitutional settlement. We were promised more powers for Parliament to question the Executive. That one ended up down the nick.

What about the statement of British values? Does anyone remember that? According to Government sources, that will never see the light of day. What about British day? Does anyone remember that one? The question is simple—when will it be? How long does it take to set a date for a new bank holiday? Given that the Prime Minister is about to stand up and cancel happy hour, we need cheering up. When will it be?

It would not matter if those ideas were all just gimmicks, but some of them really raised people's hopes. Whatever happened to social homebuy? The scheme was launched in a blaze of glory and was by now meant to have helped 10,000 families to buy their home—*[Interruption.]* I know that the Government do not follow these things, but we like to check up on them. It was meant to have helped 10,000 families, but it has helped just 235. With this Prime Minister, it is always about short-term politics and never about long-term change.

Most of the Bills in the Queen's Speech replace one set of failing quangos with another set of failing quangos. Let us take one measure as an example, the thing that the Prime Minister has banged on about year after year, in Budget after Budget—skills. Seven years ago, the Government set up the Learning and Skills Council. They then created 47 local learning and skills council branches. There were then four reorganisations. In 2006, the 47 branches were replaced by nine regional centres, but with 148 local partnership teams. What was the

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result? The Learning and Skills Council's own report this year said that "unnecessary duplication abounds" and that one arm does not know what the other is doing.

What is the Prime Minister doing in this Queen's Speech? He is scrapping the Learning and Skills Council altogether and he is passing responsibility for education and training for 16 to 18-year-olds back where it came from, to local authorities. What a waste of time, money and effort. The most ridiculous thing about it is that instead of just killing off the quango, the Government are introducing three new ones—the SFA, or skills funding agency; the YPLA, or young people's learning agency; and the NAS, or national apprenticeship service. Millions are being spent on redundancies, reorganisation and rebudgeting, and administrative costs are going through the roof. In the middle of all that, the number of people being trained has gone down. That is what has happened.

The Government have abandoned public sector reform, there is no social reform and the promised change never happened. Labour was on the verge of getting rid of the Prime Minister, but the party now clings to the one thing that it thinks that it has left—the economy. So let us look at the state of the economy after the Prime Minister has been in charge of it for a decade. So far, we have focused on the claims that he has made over the past 10 years and on how hollow they sound today. One of his claims was prudence, when we entered the recession with the largest budget deficit in the industrialised world. Another was stability, when unemployment is rising more quickly than in any other major economy. Another ridiculous claim was that he abolished boom and bust. That was ridiculous because under him we had the most unsustainable debt-fuelled boom followed by one of the biggest busts in our history.

So much for the claims of the past 10 years—let us now take a look at the claims of the past 10 weeks. They are just as threadbare. He told us that Britain is better prepared for this recession—he says that it is true—but it is now forecast by sources that include his own Treasury that we will have the worst recession in the G7 next year. That is how well prepared we are. He told us that Britain's debt is more sustainable, but just yesterday Britain's credit-worthiness slipped behind that of Portugal, Belgium and even HSBC.

The other claim of the past 10 weeks is that the whole world is following the Prime Minister's plan for fiscal stimulus. This weekend, the German Finance Minister said—*[Interruption.]* He is following my plan, as Labour Members will find out if they listen. He said:

"Since I've been dealing with economic stimulus packages, that is, since the end of the 1970s, they've never had the real effect that was hoped for. In the end, the state was just more in debt than before".

He also said:

"Just because all the lemmings have chosen the same path, it doesn't automatically make that path the right one".

One would have thought that the Prime Minister might listen to a fellow socialist, but he is too much of a lemming.

Rob Marris (Wolverhampton, South-West) (Lab): Will the right hon. Gentleman tell the House what the shadow Chancellor refused to tell us? What five things would his party do differently to combat the recession?

Mr. Cameron: I am coming to exactly that point, but let me tell the hon. Gentleman what we will do. Let us freeze the council tax for two years for every family in the country. Let us give small businesses a £10 billion VAT boost by letting them pay their bills late. Let us cut national insurance for the very small companies so that they do not have to fire people. Let us have a £3 billion jobs plan to use the money that will be spent on unemployment benefit to get people off the dole. Above all—and this is absolutely fundamental, although the Prime Minister does not understand it—let us have a truly massive Government-backed insurance scheme to get the money out of the banks and into small businesses. Those are five good reasons—perhaps the hon. Gentleman will listen to them and cross the Floor so that he does not have to lose his seat.

Everything that the Prime Minister has told us, not just in the past 10 years but in the past 10 weeks, has completely fallen apart. His latest claim—and I want to be fair to him by taking it apart—is that the political division is between action and inaction. That is typical of his approach. He cannot handle a real argument with a real alternative, but can only ever set up a straw man. We see it week after week at Question Time: he takes a set of beliefs that nobody holds—a set of propositions that no one agrees with and usually a set of things that nobody has said—and then proceeds to attack them.

That is a sign of his weakness, not of his strength. This recession was brought about by runaway borrowing and a massive failure of financial regulation, yet the Prime Minister's answer is more discretionary borrowing and a complete refusal to admit any mistakes in the regulatory system that he created.

The real solution, which we are putting forward, should lie in lower interest rates, massive Government-insured guarantees for bank lending, and support for families and businesses that does not permanently impair the public finances and the chances of recovery. That is the answer, and it is contained in the five points that I just outlined to the hon. Member for Wolverhampton, South-West (Rob Marris). Only some boneheaded Whips' plant could argue that that is inaction; even the hon. Gentleman is nodding his head in agreement that what I have set out is not inaction—it plainly is not. The real division is between the right and the wrong action, between our long-term action that will really make a difference and the Prime Minister's short-term action taken just to get through tomorrow's headlines.

Let us take the situation with the banks. When will the Prime Minister accept what the whole country now knows—that his bank recapitalisation is not working? It rescued the banks but not the small and medium-sized firms. They cannot get the loans or overdrafts that they need, and the charges being levied on them are frankly outrageous.

The Government's response is to hold endless meetings with bankers that are conveniently briefed to tomorrow's newspapers to try to make the Prime Minister look good, but it is not making any difference. That is why we need, in this Queen's Speech, a Government insurance scheme to get the banks lending. That is long-term change, not short-term politics.

Now let us take the cut in VAT. The Prime Minister wanted a stimulus so a stimulus we had to have—the only problem being that borrowing money when we are already virtually broke to cut prices when they are

already falling and then warning of tax rises that are coming down the road is not exactly stimulating. Instead, what we need in the Queen's Speech is a plan to reduce the future growth of public spending to show how we can keep taxes down in future—again, that is long-term change and not short-term politics.

What is the long-term consequence of the Prime Minister's failed Budget and short-term approach? It is a black hole in the public finances that everyone knows means taxes going up under Labour. The Government have already told us about the national insurance change, but that is not just a tax rise on anyone earning over £19,000—it is also a tax rise on every job in the country. Can anyone think of anything more stupid than putting a tax rise on jobs when the economy is going to be struggling to recover?

We all know what the secret tax rise is—VAT will first be raised to 18.5 per cent. and then to 20 per cent. *[Interruption.]* It is no good Labour Members shaking their heads, as we have all seen the Government order. This was not some leak to the Tory Front Bench; this was the Financial Secretary to the Treasury signing a document and putting it on the Treasury website. Who is the Prime Minister going to arrest for that one?

The Prime Minister's approach of making endless announcements to try to win short-term advantage depends on one crucial assumption, and it is one that I think he always gets wrong. He assumes that the British people are stupid and that they will not realise he will have to fill the black hole with higher taxes. He assumes that they do not notice when the Government present a tax-con rather than a tax-cut Budget, and that they will believe it when he tells them that all the problems come from America.

The Prime Minister thinks that British people are stupid, or that they do not see through him when he wanders off to Iraq to visit the troops in the middle of a Tory conference. However, he has to realise that if he takes people for fools, they will never take him for their Prime Minister.

A proper Queen's Speech would be honest about the state that the country is in. The truth is that the Prime Minister is borrowing so much because he has spent so much, and that he has spent so much because he has done so little to solve our social problems. Let us just look at those problems.

Welfare dependency is worse: there is more youth unemployment in Britain today than there was when the Government took office in 1997. That is why we need the Conservative plan for radical welfare reform, by giving the voluntary sector the power to go into our most deprived communities. On family breakdown, we have one of the worst records in Europe. That is why we need the Conservative plan to strengthen families, to end the couple penalty and to back marriage in the tax system.

What about health inequality? Surely a Labour Government would do something about that. Wrong. The gap in life expectancy between the richest and the poorest in our country is greater than at any time since the reign of Queen Victoria. That is why we need the Conservative plan to scrap the top-down targets and to stop doctors answering to Whitehall and get them answering to patients. All that needs to be underpinned by our plan to reconstruct a battered economy.

Albert Owen (Ynys Môn) (Lab): The Leader of the Opposition said earlier that there were no social policies in the Queen's Speech, but will he ensure that the Conservative party supports the legal target to eradicate child poverty, which is the biggest social ill that we have in this country? Will he do so—yes or no?

Mr. Cameron: Yes, of course we will support it, but the problem with the Government's approach is that they keep legislating for things that they are not achieving. Child poverty is getting worse. *[Interruption.]* Yes, and if they wanted child poverty to improve, they would take up our plan to abolish the couple penalty that would lift 300,000 children out of poverty.

We need a new powerful independent office of budget responsibility, so that the Government never end up in such massive deficit. We need a debt responsibility mechanism, so that the Bank of England can call time on levels of private debt in our economy. We now live in a country with national debt doubling under Labour to £1 trillion, putting us on the brink of financial bankruptcy. We live in a country with more than 1 million violent crimes a year—almost doubled under Labour—on the brink of social bankruptcy. We live in a country where counter-terrorism police are used to arrest MPs who hold the Government to account, and that is what I call political bankruptcy.

The Prime Minister is wrong in recession; he is wrong for the recovery. Largely responsible for the collapse of our economy, he is absolutely clueless about the collapse of our society. He is yesterday's man, so will he get on and call an election so that the people of this country can put this dreadful Government out of their misery and start the long-term change that our country needs?

3.57 pm

The Prime Minister (Mr. Gordon Brown): I know that the whole House will wish me to start by sending our profound condolences, as the Leader of the Opposition did, to the families and friends of Marine Tony Evans and Marine Georgie Sparks of 42 Commando Royal Marines. They were killed in action in Afghanistan last Thursday. We owe them our gratitude for their service and their sacrifice to our country.

It is also a noble tradition to remember Members who have served the House and who have died during the year. I am sure that all Members will want to join the Leader of the Opposition in remembering two Members who deserve the title, "House of Commons people." The sad death of Gwyneth Dunwoody last year robbed the House of its longest-ever serving woman MP. First elected in 1966, Gwyneth was the third generation of a family dynasty of political women who have perhaps done more than any other to give voice to women in politics today. She was the granddaughter of two suffragettes, and she was the daughter of one of the first female Ministers. If she challenged the Government, she was always critical of the Opposition. She will be sorely missed from her place in the House—a seat located close to the officials' box— from which, during decades of Transport questions, she was heard to shout "Nonsense" and "Rubbish" to officials, as Members on both Front Benches spoke. On her role as Chairman of the Transport Committee, foolish was the witness who had not prepared fully for an evidence session. Legendary was the loud tapping of her pen if witnesses dared to

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speak from notes: grown men made weak at the knees. Always formidable, always her own person and fiercely independent, she is already sorely missed. [HON. MEMBERS: "Hear, hear."]

When during his long and fatal illness, John MacDougall arrived in Westminster for a vital vote last year, he was given a standing ovation by Members who came to meet him. Such was his popularity with fellow MPs. He was an apprentice in the dockyard at Rosyth; an engineer; then in the coal mines; then leader of the council; then convenor and then provost of Fife council—one of the first in Britain, three decades ago, to provide free bus travel for the elderly. His constituency was next door to mine, and he embodied the values and ethos of Fife. I met John only a day before he died. I thanked him for all his endeavours on behalf of the people of Fife. I told him that his achievements were great and would be remembered for many years to come, and he gave me one instruction: to ensure that Glenrothes was safe for the future.

John's campaigning on behalf of sufferers of asbestosis and mesothelioma, from which he himself suffered, has helped to raise awareness of that terrible illness, and as hon. Members know, the Government are examining how we can provide better support for both them and their families. John never wavered in his understanding that his first job was to serve his constituency, and he will be sorely missed.

I thank the proposer and seconder of the motion. Few Members have the distinction of having piloted one private Member's Bill through the House; even fewer have the distinction of having piloted two groundbreaking Bills, and my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) is a member of that elite group, the first Bill giving rights to people with disabilities and the second holding the Government to their overseas targets. Those are formidable achievements of which he and his constituents can justifiably be proud.

Once, my right hon. Friend spoke at an international conference about international development and worldwide poverty and about the difficulties faced by people suffering in so many countries. So successful was his speech that, either because of a failure of translation or for some other reason, food parcels started to arrive in Scotland for people there.

More than 25 years ago, I had the pleasure of campaigning for my right hon. Friend when he was first elected to Parliament. I remember that the constituency name then was Coatbridge and Airdrie. I found on the streets that he was known by everyone as a former councillor and provost of the area. His opponent was a young Conservative, who was so keen to make himself popular that he said that, if elected, he would buy a house in Coatbridge and marry someone from Airdrie, or vice versa. Needless to say, my right hon. Friend was returned with a huge majority.

When, during the last election campaign, I visited the constituency of my hon. Friend the Member for Erewash (Liz Blackman), who has spent all her life serving the public as a teacher, a councillor, a deputy council leader and then an MP, I found, as the Leader of the Opposition mentioned, that her most notable opponent was not the Conservative party or the Liberal party, nor even her other opponents representing the Monster Raving Loony party or the Church of the Militant Elvis, but someone well known to the House: Robert Kilroy-Silk. Hon. Members may remember that after defeating Mr. Kilroy-Silk, she was returned to Parliament with an increased majority. As we know, Mr. Kilroy-Silk has found a more appropriate place for his talents: eating insects in the celebrity jungle—although he was the first to be voted off as a result of his behaviour.

In paying tribute to the outstanding and selfless contribution of all those who have served in our armed forces, particularly in Iraq and Afghanistan, those who have lost their lives, those who have been wounded, and those who risk their lives daily in the defence of our security and to bring peace and stability to the peoples of those countries, I can confirm to the House that we are looking anew at the Afghanistan policy. The review takes into account the dangers that now exist on the Afghan-Pakistan border. It also takes in the need to complement military action with enhanced protection by helicopters and the new fund for asking other countries to provide helicopters, as well as proper burden sharing, with help to train the Afghan army and police, to strengthen their systems of governance and to develop their economy. We have recently increased our forces beyond 8,000, but I repeat that with 41 countries involved, there must be fair burden sharing.

Harry Cohen (Leyton and Wanstead) (Lab): Why will the review not take into account the latest poll, which shows that 68 per cent. of the British population do not want us in Afghanistan?

The Prime Minister: Afghanistan is our front line against the Taliban; it is also our front line against al-Qaeda. The reason why 41 countries are pledging support for action in Afghanistan is that they know that what happens in Afghanistan can directly affect what happens on the streets of London and major cities and towns in our country and others.

It is, however, right that there is proper burden sharing. I agree with the Leader of the Opposition that in the next few months, as we discuss the need for more troops in Afghanistan, we will look to other countries to make their fair contribution to that burden.

Mr. Bernard Jenkin (North Essex) (Con): Does the Prime Minister accept that there is widespread concern among the armed forces that there is dislocation between various Government Departments? I very much welcome his review, but will he say who is in charge of it; and will he put a Minister in charge of Afghanistan policy, to answer on the totality of that policy? I promise him that, at the moment, one gets very different perspectives from the different Departments involved on the challenges that we face in Afghanistan.

The Prime Minister: The review, which I am leading, will bring together, as it has over the past year, all the Departments that are responsible: the Foreign Office, the Ministry of Defence and the Department for International Development in particular. I assure the hon. Gentleman that we have led the way in telling America and other countries that military action must be complemented with special help so that people have a stake in the future of Afghanistan, with training of

police and of the armed forces, and with reform of government in dealing with corruption and other issues in the government of Afghanistan. If he were being fair to us, he would understand that we have led the way in asking our allies to look at a co-ordinated strategy that is comprehensive in dealing with the issue.

I also want to confirm that our troops are completing the final phase of the task that we set ourselves in Iraq—training Iraqi security forces, building economic development, and speeding up the local democracy that is needed in the Basra area for which we are responsible. In the months ahead, there will be a fundamental change of mission and presence, and we will move to a long-term relationship with Iraq similar to that which we have with other countries in the region. We want a democratic Iraq, strong local government, armed forces who are properly trained, and police who are independent. We want the people of Basra to have a full stake in their future.

A week after the terrible events in Mumbai, the whole country and, I believe, the whole House are in a state of shock at the scale and devastation of the murder of innocent people. It underlines again the threat that a democratic society faces from those who would use terror indiscriminately against ordinary people. I have sent this country's condolences and sympathy to all who have suffered from this loss of life. Terrorists cross borders to murder innocent people. Our response must be to work across borders to protect them and demonstrate that terrorism will not succeed in undermining democracy.

Our country has offered Prime Minister Singh and India every support in countering extremism. We have sent men and women from the Metropolitan police. We have agreed on the need to generate even closer co-operation against terrorism. I have spoken to President Zardari of Pakistan and urged him to offer the fullest support to India in rooting out terrorism and to show that he will bring to justice any terrorists who seek haven in his country.

We cannot hide from the truth about Zimbubwe, which is now facing chronic state failure. In addition to broken down schools and hospitals and rampant inflation, we now have a cholera epidemic, which is not just spreading within Zimbabwe; it threatens South Africa, too. We have increased our aid to ordinary Zimbabweans. I have called on United Nations humanitarian agencies and non-governmental organisations to mount a new effort and initiative with our support to get help to those who most need it. We are working hard with the region's Governments, so that they can work together to do what needs to be done most acutely and most immediately to uphold the democratic rights of the Zimbabwean people, to support the bravery and resilience of people still in Zimbabwe and to ensure that they can exercise the maximum pressure on the Mugabe Government and in support of democracy in Zimbabwe.

I want to repeat to the House that in the Democratic Republic of the Congo we will act to prevent a humanitarian catastrophe as we work to facilitate a political solution to the conflict that has already displaced 800,000 people. We are working with partners to get aid through, but I have also written to contributors of peacemakers to ask them to encourage the rapid deployment of the extra forces who are needed to save lives. We have been prepared to put money up. I believe that we will be able, after talks yesterday, to raise the number of peacekeepers from 17,000 to 20,000, so that people can see that there is safety and security for people in the DRC as we search for what is most needed: a political solution.

I can also announce that we are bringing Israeli and Palestinian leaders to London later in December to establish how best we can use 2009 to make real progress towards political and economic solutions in the region.

I can also say that, following the historic agreement between the parties in Northern Ireland, we will bring forward proposals to sustain devolution in Northern Ireland. I thank all parties in Northern Ireland for coming together to make the final part of a devolution settlement possible and now something that can be delivered, with policing and justice devolved in the next few months.

We are finding that the solutions to every crisis require not just action in our country but action internationally. In the challenges to our security and to our economy, and to our environment posed by climate change, the world is having to act together to resolve those problems. We know that climate change, terrorism and global poverty are the problems of a changing global society. The lesson of recent months is that the problems that we face can be met only by acting co-operatively on the basis of our interdependence, not by glorying in isolation. The financial problems that we have require action not just in Britain but in every country. After a year when oil prices have been volatile, the climate change and energy challenge can be met only through action that will lead, I believe, to a settlement at next year's crucial Copenhagen summit.

Mr. John Redwood (Wokingham) (Con): Will the Prime Minister re-examine the £487 billion banking package, because surely he shares our disappointment that more lending is not taking place to decent businesses in our country?

The Prime Minister: The right hon. Gentleman signed the report that said that we should give up regulation in mortgage finance. I criticised a Conservative Member last week for saying that the recession should take its course, but what the right hon. Gentleman said yesterday on his website is even more amazing:

"Living standards in both the public and private sector have to be brought down."

That is the Conservative party's answer to the problems that we face, not taking the necessary action.

Mr. Andrew Robathan (Blaby) (Con): When the Prime Minister was in opposition, he adroitly used information that public servants gave him, which he believed it was in the public interest to know, and placed it in the public domain. Does he believe that a Member of Parliament doing exactly what he did when he was in opposition should be arrested?

The Prime Minister: I notice that Conservative Members do not want to talk about the economy. *[Interruption.]* That is absolutely true. I uphold the right of Members of Parliament to pursue their duties in a way that is necessary for the public interest. Today, the acting police commissioner has said that the police are investigating a substantial series of leaks from the Home Office potentially involving national security.

Mr. Michael Howard (Folkestone and Hythe) (Con): Earlier this afternoon, Mr. Speaker told us that he regretted the fact that the office of my hon. Friend the Member for Ashford (Damian Green) was searched without a warrant. Does the Prime Minister share that regret?

The Prime Minister: That is a matter for the inquiry to decide, which is the right thing to happen. *[Interruption.]*

Mr. Speaker: Order. It is for the Prime Minister to answer the question that was put to him.

The Prime Minister *rose—*

Mr. Speaker: Order. Mr. Benyon, calm yourself—it is the best way.

The Prime Minister: That is not only a matter for the inquiry. I want to defend the operational independence of the police. You cannot pick and choose whether you support the operational independence of the police—either you support it or you don't.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): Will the Prime Minister answer the question: does he believe that it was wrong of the police to enter this place without a warrant—yes or no?

The Prime Minister: That is precisely why an inquiry has been set up. An inquiry is being set up in this Chamber, and an inquiry has been set up by the police themselves. We should wait until the outcome of the inquiry. *[Interruption.]*

Mr. Speaker: Order. Hon. Members should be calm. They may not like the answers, but the Prime Minister is entitled to give whatever answers he wishes to give. *[Interruption.]* Mr. Duncan Smith, when I am on my feet, you have got to be quiet.

Several hon. Members *rose—*

The Prime Minister: I shall make some progress, and then I will come back to the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) and the hon. Member for South Staffordshire (Sir Patrick Cormack).

In the legislative programme, as we did in the pre-Budget report, we are setting out the detail of real help for home owners and families, real help for small businesses, real help for jobs, real help for young people and real help for communities not only for the downturn but for the upturn that will follow. Today, we are introducing for the first time legislation to abolish child poverty in our country. We are also introducing legislation that will give, for the first time, young people who qualify the right to apprenticeships. We are also bringing forward legislation for an NHS constitution that will give rights to patients.

Sir Patrick Cormack (South Staffordshire) (Con): With apologies for going back for a moment, may I ask the Prime Minister calmly and courteously whether or not he regrets that the action was taken without a warrant? Such action might be justified on occasion with a warrant, but does he regret that it was done on this occasion without a warrant?

The Prime Minister: The hon. Gentleman may be prepared to prejudge everything. The House has consented without demur to Mr. Speaker's proposal to set up an inquiry into these events. The House has agreed to set up its own inquiry, and the police have set up their inquiry. Surely it is right for us to wait for the results of that inquiry before drawing our conclusions.

Mr. Howard: On a point of order, Mr. Speaker. Is it not clear from the Prime Minister's recent answers, or non-answers, that he is in effect criticising what you told us earlier this afternoon?

Mr. Speaker: The House has a long tradition of not drawing the Speaker into the argument; I would not want that. *[Interruption.]* Order. The Prime Minister is perfectly in order; he gives a reply that he wishes to give. It is up to him.

Mr. William Cash (Stone) (Con): On a point of order, Mr. Speaker.

Mr. Speaker: I assure the hon. Gentleman that he does not have a point of order for me; he definitely has not, but I will try him.

Mr. Cash: I am grateful to you, Mr. Speaker. The Prime Minister has just said that the House has decided on the inquiry. That is not the case. This was a statement made by you and not by the House. Do you agree?

Mr. Speaker: Once again, it is a debate. It is not always the case that exact accuracy is called for. *[Interruption.]* Order. It is a debate. Sometimes the hon. Gentleman has not been too accurate, and I have had to put him right.

The Prime Minister *rose—*

John Barrett (Edinburgh, West) (LD): On the question of child poverty, does the Prime Minister remember that as a member of the Opposition back in 1993, he leaked information about the potential taxation of invalidity benefit? What would he advise other Members who had been given similar information to do?

The Prime Minister: I just repeat, in defending the rights of Members to pursue their duties, that what the Metropolitan police acting commissioner has said is that he is investigating a substantial series of leaks from the Home Office potentially involving national security. That, in my view, is very different.

Sir Alan Beith (Berwick-upon-Tweed) (LD): I am grateful to the Prime Minister, particularly as I have reason to be aware that it is important to preserve the difference between leaks that are about national security and those that are not.

What I wanted to put to the Prime Minister was that earlier this afternoon, in the statement, arrangements were announced that involved the Serjeant at Arms being given instructions not to grant the police the ability to search in these premises without a warrant. Does the Prime Minister support those arrangements?

The Prime Minister: We are waiting for the results of the inquiry—*[Interruption.]*

Mr. Speaker: Order. Let the Prime Minister answer in the way he wants to answer.

The Prime Minister: To correct the hon. Member for Stone (Mr. Cash), I should say that I said that the House did not demur when Mr. Speaker proposed due changes for the future.

Several hon. Members *rose—*

The Prime Minister: I am going to make progress. In the last—

Several hon. Members *rose—*

The Prime Minister: I am going to make progress. In the last 10 years—*[Interruption.]*

Mr. Speaker: Order.

Mr. Gerald Howarth (Aldershot) (Con): I thank the Prime Minister for giving way. Does he believe that national security was damaged when my hon. Friend the Member for Ashford (Damian Green) found out that the Home Office was seeking to cover up the fact that 5,000 illegal immigrants were working in the security industry in this country? Was that an issue of national security or not?

The Prime Minister: I am not going to comment on a police inquiry that is ongoing, and I would caution Opposition Members against doing so as well. This is an ongoing police inquiry, and it is right to defend the operational independence of the police. *[Interruption.]*

Mr. Speaker: Order. I am not going to tolerate the hon. Member for Rayleigh (Mr. Francois) shouting at the Prime Minister. If he does so again, he will be defying the Chair. He has to be careful.

Mr. Kenneth Clarke (Rushcliffe) (Con): Does the Prime Minister accept that there is no dispute about the operational independence of the police being very important and that—*[Interruption.]*

Mr. Speaker: Order. Let the right hon. and learned Gentleman speak.

Mr. Clarke: Furthermore, there is no dispute that any breach of national security is an important matter. However, does the Prime Minister also accept that the police are themselves accountable, and will be accountable for their statements? Would he not express an opinion that, if it turns out that the leaks were merely matters of confidence—the kind of leaks with which he and I are only too familiar—it would be an abuse of police power to use the police to intervene to try to intimidate either a civil servant or Opposition spokesman who was getting access to confidential leaks embarrassing for the Minister concerned?

The Prime Minister: The right hon. and learned Gentleman is a senior member of the Bar, and he knows perfectly well that we cannot prejudice an investigation that is ongoing by making comments in this way. I would repeat the statement that has been made by the Metropolitan police saying what they are investigating. I have to go on what they say—it is they who are investigating. Of course the police are accountable, but we also have to recognise that they are operationally independent. Opposition Members cannot pick and choose whether they support operational independence on one occasion or another—they have to support operational independence. I am now going to make progress with my speech.

The Chancellor set out the most comprehensive programme of real help for businesses and families, and now we want to go further. In the past 10 years, 1 million more people have become home owners and there are more owner-occupiers than ever in the history of our country. People who have saved up for a house are proud of what they have achieved, and we are proud of what they have achieved. For many, their biggest fear is that they might face repossession in this world downturn. Today the Government can go further than we were able to go last week, with a new charter for mortgage holders. We want to do what no country has done before in providing new protections for home owners. We will do everything in our power to ensure that no hard-working family who demonstrate to their bank a willingness to pay can or should face the fear of repossession of their family home.

We want to build three protections and put them in place for home owners—three pillars for people worried about their homes. *[Interruption.]* I know that Opposition Members think that it is funny when we talk about mortgages, home owners and repossession, but this is exactly what the country wants us to be able to do for them. First, having agreed with the lenders that no repossession should be initiated in the first three months after the borrower has moved into arrears, I can announce that Northern Rock and Bradford & Bingley have joined the Royal Bank of Scotland in agreeing that it will not repossess homes for a full six months. I urge all responsible banks to follow their example. Secondly, our new pre-action protocol makes it clear that repossession should be a last resort. Judges now expect lenders to consider what steps and what flexibilities might help to keep hard-working families in their homes. We are backing that up with free debt advice in every court, and we will work to ensure that the protocol is minimising the number of repossessions ever brought to court.

Today I want to offer to families worrying about their mortgages a third protection, which will be an additional guarantee of fairness for all home owners facing difficult economic times. Hard-working households that experience a redundancy or significant loss of income as a result of the downturn will be able to defer a proportion of their interest payments for up to two years while they get their family finances back on track. This measure is in addition to our protection for the unemployed, who, after 13 weeks, can claim help with their mortgage. It will extend protection for those in work as well as those out of work and will be available at a higher level of income. We will make this possible by guaranteeing lenders against the risk of loss from those deferred interest payments. I am pleased that I can announce today that the country's eight largest lenders have already agreed to sign up and work this new scheme, the detail of which will be published in the next few days. The lenders include HBOS, Nationwide, Abbey, Lloyds TSB, Northern Rock, Barclays and HSBC—already 70 per cent. of the mortgages that are held in this country.

[The Prime Minister]

The result will be more affordable monthly payments for home owners who need a bridge through difficult times.

We will also—this is in line with the legislation for the savings gateway—consult on how we can create a savings incentive targeted at first-time buyers to help them to save money to get their first step into the housing market. We will continue to take action to improve social housing, with new investment brought forward—an extra £100 million this year and £450 million the year after. That is new public investment that the Conservative party would not fund but we are prepared to fund.

We are, uniquely, buying up surplus stock from house builders—again, a fiscal stimulus that is necessary to meet the needs of our times that we are prepared to do but the Opposition would refuse to do. We are supporting housing authorities and local authorities in building more homes themselves—again, new investment brought forward by this scheme that the Opposition would not support. For 10,000 more first-time buyers, the £1 billion home owner's support package will mean additional money for housing, which the Opposition would refuse to provide. We are not only providing real help for businesses and families now, but meeting our country's need for future housing. *[Interruption.]*

We will also help the construction industry and give communities real help, with new investment in reformed public services. *[Interruption.]*

Mr. Speaker: Order. May I stop the Prime Minister? This is a debate on the Loyal Address, but many private conversations are going on in the Chamber. That is unfair to hon. Members who want to follow the debate.

The Prime Minister: It is absolutely clear that the Opposition have no interest in listening to what we are doing about the economy. It is also absolutely clear that they are obsessed with only one thing today, but we have got to get on with the business of helping move from the downturn to higher prosperity.

Let me deal with small businesses. I can announce that we will ensure that the banking codes are put on a statutory footing, and we will give local authorities a greater role in economic regeneration.

Sarah Teather (Brent, East) (LD): I am reassured to hear the Prime Minister speak about housing, because it was not mentioned in the Queen's Speech. Why did he not take the opportunity of today's Gracious Speech to update the mortgage law, for which Shelter has argued for some time?

The Prime Minister: We are taking measures to protect exactly the people about whom Shelter is talking. We are providing a new scheme that not only allows mortgage repossessions to be postponed for six months but lets people recapitalise their mortgage, supported by a Government guarantee, if they are in difficulty. That is exactly what Shelter and other organisations want us to do. The hon. Lady should applaud, not criticise us, for our actions.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): One of the big problems is that small businesses are unable to obtain credit guarantees. Will the Prime Minister consider a Government-backed credit guarantee scheme for the small and medium-sized sector? That would free up a lot of industry throughout the UK.

The Prime Minister: Let me explain that we are doing exactly that. The special liquidity scheme that gives money to the banks is on condition that those that we own put the same amount of lending into small businesses as they did in 2007. At the same time, we have introduced a £1 billion scheme for export credits for small businesses. We have also pushed another £1 billion for the small business loan guarantee scheme. All that is on top of a deferment of the rate of small firms corporation tax, £4 billion of loan capital for small and medium-sized enterprises and a pledge that every bill that the Government owe will be paid in 10 days. We have taken all those steps to help small businesses and we are now in discussions with the banks about how they can move them forward. We will meet representatives of the banks later this week, and I tell the hon. Gentleman that we are making available the necessary money, and he should support exactly what we are doing.

Let me deal with jobs. The first step is to help keep people in jobs and that means more funding for training in work. We will invest more to allow small businesses and others to keep on employees to give them skills they need so that training can be done for the upturn, and vital employees can be kept on instead of losing their jobs. The second step is immediate access to advice and training. People who face redundancy will get immediate practical support. That is possible only because we have a new deal in which we are investing more than £1 billion—investment that the Opposition would always oppose. The third step is guaranteeing a start to securing new skills and help within a month for people who are unemployed. That is possible only because we have a properly financed Jobcentre Plus and a new deal that can do that job.

We are also introducing a Bill in this Session to enhance the rights of people who are looking for work—and their responsibilities. It will include a requirement that those out of work undertake work-related activity so that we help them enhance their skills and increase their confidence, thus giving them the tools they need to invest in the future and make a contribution, instead of languishing on the dole. All that is in stark contrast to the Opposition's flagship policy on unemployment, launched in the morning and sunk in an afternoon, which the Federation of Small Businesses called a disincentive, not an incentive, to work.

Mr. Brian Binley (Northampton, South) (Con): Will the Prime Minister give way on that point?

The Prime Minister: I have already made it clear that I am making progress with the measures in the Queen's Speech that will help businesses and families in this country. Clearly, the Opposition have no interest in measures that give people jobs, help people with businesses and help people stay in their homes.

Building on our plan to raise education—*[Interruption.]*

Mr. Speaker: Order. The Prime Minister has indicated that he is not giving way. Hon. Members should be calm.

The Prime Minister: The hon. Member for Northampton, South (Mr. Binley) is so excited that I will take his intervention.

Mr. Binley: Does the Prime Minister recognise that, for all his fine words about small business, the money is not getting through? That is the point and he needs to take it into account.

The Prime Minister: We have just announced measures that get the money through. The difference between us and the Opposition is that we are prepared to put the fiscal stimulus in, whereas they are not prepared to support it. There is no point in talking about extra support for small businesses if one is not prepared to give the fiscal stimulus that is absolutely necessary.

Building on our plan to raise the educational leaving age to 18, the Queen's Speech brings forward legislation so that every young person has a path to a fulfilling career, by guaranteeing every qualified young person in this country an apprenticeship place, if that is what they want. That means that we will raise the number of apprentices in this country—the Leader of the Opposition said that we had not done anything—from 65,000 in 1997 to 237,000 in 2010. That comes on top of the 40,000 additional teachers in our schools, further action to raise school standards and further legislation in this Queen's Speech to give more rights to parents and children in our economy.

The Leader of the Opposition's speech proves that there is no economic problem that this country faces to which the solution is the Conservative party. However much he tries to hide it, he cannot get round the critical mistakes and misjudgments that his party has made and continues to make, including: its refusal to support our rescue of Northern Rock; the shadow Chancellor's refusal to condemn share speculation a day before we took the action to deal with it; the dogma that monetary policy should act alone and not be supported by real help for families—not even the Governor of the Bank of England, who is in charge of monetary policy, believes that monetary policy can succeed on its own—and finally, the old dogma that any action to be taken has to be paid for by public spending cuts.

Let us be absolutely clear: the real difference between the Leader of the Opposition's party and ours is that we will invest to take the action necessary for the economy, whereas his party refuses to make the necessary investment. It has no policy for the downturn and no policy for the upturn, either. That is the problem of today's Conservative party.

Several hon. Members *rose—*

The Prime Minister: They are so enthusiastic to talk about the economy that I shall allow them to do so.

Mr. Robathan: The Prime Minister accused the Opposition of not being interested in his speech. Could he explain why the Benches behind him are empty, whereas ours are full?

The Prime Minister: Those on our Benches have just applauded action to deal with home owners' problems, small businesses' problems and the problem of jobs. It is our side that is leading the way in taking action; it is the Conservative party that refuses to support the action that is necessary.

Daniel Kawczynski (Shrewsbury and Atcham) (Con) *rose—*

The Prime Minister: I shall give way once more to a major question on the economy.

Daniel Kawczynski: I am grateful that the Prime Minister has given way. One group of people whom he has not mentioned today is the policyholders of Equitable Life. We recently had a debate in Westminster Hall, which was initiated by the Liberal Democrats. Will the Prime Minister give us a concrete date for when the Government will respond to the parliamentary ombudsman's report on the issue?

The Prime Minister: There will be a statement before the House rises at Christmas. I can say to the hon. Gentleman that that will be done. [Hon. Members: "Answer!"] There will be a statement before the House rises this Christmas.

Mr. Andrew Tyrie (Chichester) (Con) *rose—*

The Prime Minister: This is the last intervention that I shall take—again, I know that it will be a penetrating question about the economy.

Mr. Tyrie: The Prime Minister has announced a series of measures to deal with repossessions, which are of course the consequence of a gigantic recession. On reflection, is he prepared to say today that at least some of that recession is a direct consequence of his decision to over-borrow and mismanage the economy over the past 10 years?

The Prime Minister: Every country in the world is facing a downturn. Only the Conservative party thinks that it is a national matter, but this is a world downturn that has to be dealt with by world action. I know that the Conservative party opposes action in Europe, but action in Europe is essential to deal with the problem. Action around the world, by calling the G20, is necessary also. It is amazing: nowhere else that I go in the world do I hear politicians saying to me, "Let's do nothing", but that is the policy of the Conservative party.

To help people through the downturn, we are also raising the pension, effectively from January, with £60 for pensioners and vulnerable people in the new year. We have brought forward April's increase in child benefit to January to help people. We have also invested more money in our communities to enable them to regenerate themselves and so that public investment and public works happen through the downturn. In the Queen's Speech, there are measures to reform our public services, including more say for parents, a new NHS constitution, more help with law and order, more action on alcohol and drugs, and stronger powers to tackle unacceptable care such as that exposed by the baby P case.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): When the right hon. Gentleman became Prime Minister, he gave an undertaking that Parliament would be able to scrutinise the Government. Does he, as a parliamentarian,

[Dr. Evan Harris]

recognise that it is not acceptable for Government Bills to pass through on Report without reaching swathes of grouped amendments which you, Mr. Speaker, have selected for debate, and without debating scores of Government amendments? Will he, as a parliamentarian, undertake to sort that out in this Session?

The Prime Minister: Of course we will respond to Back Benchers' amendments, but I must tell the hon. Gentleman that we are changing the royal prerogative and giving more power to Parliament over peace and war, and over treaties. We are also planning to make the Intelligence and Security Committee more linked to parliamentary action and parliamentary decision, and for more reports to Parliament. Let us remember that Labour is the party that brought in the Freedom of Information Act 2000 to enable people to have information—*[Interruption.]* The Conservatives laugh, but they opposed putting the European convention on human rights into British law. Far from standing up for the rights of the individual, they refused to support that.

Last year, the Opposition said no to education at 18, no to nuclear power, no to planning reform, no to airport development, no to our big investment in skills, no to additional public spending. In the past few months, they have said no to action on Northern Rock, no to action on share speculation, no to our fiscal package, no to our VAT cuts, no to our public works, no to our public investment. When it came to the crunch, they reverted to being what they always were: a Conservative party that did not want to take action, and that was uncaring and unfair about the difficulties that people face.

This is the era, as everybody can see, of "Yes, we can." All over the world, people are saying, "Yes, we can." Only the Opposition are saying, "No, we won't." They are on the wrong side of the British people in taking action to deal with this downturn, and they are on the wrong side of history. I commend the Gracious Speech to the House.

4.38 pm

Mr. Nick Clegg (Sheffield, Hallam) (LD): Many hon. Members are leaving the Chamber, but they would be well advised to stay. After all, the Liberal Democrat party identified the risks of the recession before any other party, and it was also the first party to identify any of the solutions.

I, too, should like to express my sympathy and condolence to the families and friends of Marine Tony Evans and Marine Georgie Sparks, who tragically lost their lives in Afghanistan last week. Later, I should like to ask the Prime Minister about the review of Government policy in Afghanistan and Iraq that he has announced.

First, I should like to pay tribute to the right hon. and hon. Members who have sadly passed away in the past parliamentary year. No one could forget Gwyneth Dunwoody, who was a great servant of her constituency, this House and the country. She is sorely missed by everybody, not least by people such as me who received tongue-lashings from her fairly frequently. John MacDougall will be remembered fondly for his 30 years of unbroken and unstinting service to the people of Glenrothes. His death, from asbestos-related cancer, reminds us of the work that we still need to do to protect the health and welfare of people in the workplace, and of the research that still needs to take place to stop that terrible and cruel illness in its tracks.

I should like to thank and congratulate the proposer and the seconder of the Loyal Address. The right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) spoke with great affection about his constituency and his family, as well as deftly poking fun at me and other right hon. and hon. Members of the House. He also reminded us of his great track record of speaking out on behalf of people with disabilities. I congratulate him on that. When I did my research on him, I noticed from some of the newspaper clippings that he was described as being both a member of the "Scottish mafia" and "boring but safe". It is an extraordinary feat to be both those things—although when I look at those on the Government Front Bench, I sometimes think that it might be easier than it seems—but I suspect that he would not wish to be remembered as either.

It has rightly been observed that perhaps the greatest service performed by the hon. Member for Erewash (Liz Blackman) was to keep Robert Kilroy-Silk at bay in her constituency. She did not say—I would love to know whether it is true—whether she had a hand in having him evicted from the Australian jungle last week. If she did, I would like to congratulate her, and also urge her to take urgent steps to get David Van Day sent home as well. Many people would congratulate her if she could do that.

The proposer and seconder have, of course, upheld a great tradition of the House. Today, we are celebrating the democratic traditions of the House and our role in scrutinising the Government and holding Ministers to account. That great tradition has been called into question by recent events, however. Unlike the Prime Minister, I feel unambiguously that it is wrong for the police to gain entry into the offices of any hon. Member of this House without a search warrant, and I cannot understand why he will not say precisely that, too.

It is with comic timing that the Government's Queen's Speech has included words about the need to strengthen the role of Parliament, given that this Government show no sign of understanding how much the House has been neutered by the over-centralised, over-secretive and over-mighty Executive that exist under our non-constitution—*[Interruption.]* The Secretary of State for Justice shakes his head. If he understood the degree to which real parliamentary scrutiny had been placed in jeopardy by the actions of his Government, he would have included three more Bills in the Queen's Speech. The first would have been a Bill on parliamentary privilege—as was recommended 10 years ago by the Joint Committee on Parliamentary Privilege—to codify clearly, once and for all, the rights of Members of the House to hold the Executive to account, and to set out in what exceptional circumstances, if any, those rights may be infringed.

The second such Bill would have been a civil service Bill to protect and enshrine the impartiality of the civil service and to ensure that undue political influence could never be applied to any civil servant. The third would have been a Bill to restore the protections for whistleblowers that have been systematically removed and demolished by this Government and their predecessors.

Mr. Redwood: Does the Liberal Democrat leader also agree that we need more time to consider the Budgets, the statutory instruments and the laws that go through the House with very little of their content being debated?

Mr. Clegg: I agree with the right hon. Gentleman. That involves the much wider issue of the lop-sided nature of the information, power and prerogatives of the Executive, compared with the increasingly feeble powers and prerogatives of the legislature.

From the point of view of the public, this matter should not simply topple into an arcane, introspective debate about parliamentary privilege—a concept that the public have probably never heard of, and about which they care even less. This is about defending the simple principle that anyone wanting to unearth information about the way in which we are governed by the Government of the day should not live in fear of the anti-terror police arriving on their doorstep. This is not, and should not be, an argument between parliamentarians. It is an argument on behalf of the public to ensure that every citizen has the right to tell the truth about the Government of the day, however much that might embarrass Ministers at the time.

Before I turn to the Queen's Speech, I should like to ask the Prime Minister certain questions, if I may. He does not want to listen, but it would be helpful if he would do so. He has made some important announcements this afternoon. As ever, with him, those announcements were not even highlighted, signalled or flagged up in the Queen's Speech. They related to the Government's policy on Iraq, on Afghanistan and on repossessions, and I want to ask him three questions.

On Afghanistan, when the right hon. Gentleman conducts this review, will he accept that any lasting stability or peace can be established or maintained only if there is a regional dimension, so that the powers that encircle Afghanistan—Pakistan, Russia, central Asia, China and Iran as well—must indispensably be included in any lasting settlement? Secondly, the Prime Minister has highlighted the fact that we are effectively on our way out of Iraq. Does he not think that it is time to admit that we need a full public inquiry into the circumstances that led to that fatal decision to invade Iraq in the first place? Finally, on repossession, I welcome much of what the right hon. Gentleman has announced today—but if only he had listened to us three or four months ago when we made precisely the same recommendations. Will he tell me how many households that are falling into arrears will be helped by these new measures? The previous measures covered roughly one in 10 of all households in arrears; how many does he think will be covered by the new measures?

Today was a very important opportunity. This has been a terrible year for millions of British families who are struggling to make ends meet, struggling to pay this month's mortgage bill and this winter's heating bills, and who are worried about whether they can give their children the sort of Christmas they deserve. People are waiting, anticipating, asking and pleading, "Please help us". The Prime Minister says that he is Winston Churchill and the Business Secretary, never known to be outdone in hyperbole, says that he is not Churchill, but Moses. People therefore have the right to expect something big from the Government—perhaps a tablet of stone to fix their everyday problems—yet all they get is this meagre document, dressed up as a solution. We are facing an unprecedented economic crisis and people need a helping hand, yet most of this Queen's Speech is lifted directly from the Prime Minister's pre-Queen's Speech announcements in May. Has he not noticed that the world has changed—and changed utterly? This non-stop drum beat from the Government is like a sort of legislative "muzak", an irritating hum in the background, of no use or no help to anyone.

We see from this Queen's Speech that the Government are once again to prove to be hyperactive in areas of public policy where they should back off and inactive in precisely those areas where they should do something. They act where they should not act and they fail to act where they should. How on earth can the Government justify the 26th criminal justice Bill without a single mention in the Queen's Speech or in the subsequent debate on the Loyal Address of the environment or the climate change crisis, which remains the greatest crisis facing us for generations to come? How on earth could the Prime Minister have unveiled legislation that, if reports are to be believed, will give the police the power to check everyone's identity in this country, so smuggling in the ID card system by the back door, while saying absolutely nothing about reducing fuel bills for those people who cannot pay them at all?

Martin Horwood (Cheltenham) (LD): My right hon. Friend's constituents, like mine, have been seriously affected by flooding in recent years. Does he share my bewilderment that after a year and a half of consultation and deliberation, including the recommendations of the Pitt review, which were widely supported as far as they went, the Government have promised us only a draft Bill and yet more consultation, so almost ruling out the prospect of real action on flooding before the next general election?

Mr. Clegg: I agree with my hon. Friend. I can certainly speak on behalf of my constituents in Sheffield, where a young boy lost his life in the floods, about the intense anger they will feel as they see once again that procrastination has taken over where action is needed from the Government to protect us from future floods.

In other words, this is a Queen's Speech for a fag-end Government, running out of ideas. It runs to 650 words and 14 Bills, but not a single one of them will help anyone pay their fuel bills this winter. Not a single measure here or in the pre-Budget report last week will put a single penny back in the pockets of people who need help. Rarely has so much been promised and so very little delivered.

We have been living in strange political times. For years now, we have been witness to an extraordinary amount of political cross-dressing between the two Front Bench teams: new Labour was in effect Conservative lite and the Conservative party, for a while, at least, was all cuddly and green. But now they are back in their corners. That is why the public remember quite why Labour and Conservative Governments have failed them, their families and communities for so long. One lot want to do everything and the other lot want to do nothing: it is a terrible choice between a wrong direction or simply going backwards. This Government's determination to do very little only seems to be outdone by the Conservatives' determination to do even less.

[Mr. Clegg]

Listening to my right hon. Friend—[HON. MEMBERS: "Oh!"] I am just checking that he is paying attention. Listening to the right hon. Member for Witney (Mr. Cameron), I do not know what he would actually do. He seems to think that public spending should be cut in 2010 when we will still be in the teeth of a recession. He calls this "being responsible"; this from the party that has been responsible for most of the worst recessions that this country has seen in the post-war period, and is trying now to steal the cloak of so-called prudence.

Labour imagines that the recession will look good for its poll ratings. The Conservatives seem to think that it is good for people's health. Labour seems to be fiddling while Rome burns—the Conservatives would prefer to hide the fire engines in the first place.

The Queen's Speech should be offering hope where there is fear, reassurance where there is anxiety. The pre-Budget report and the Queen's Speech should have delivered big, permanent and fair tax cuts to people on low and middle incomes who are struggling to make ends meet, paid for by closing the multi-billion pound loopholes that only benefit wealthy individuals and large businesses. The pre-Budget report and the Queen's Speech should finally have released local authorities from the restrictions that prevent them from borrowing money against their own assets to buy up unsold properties to provide more social housing to families who have no permanent roof over their heads.

The pre-Budget report and the Queens Speech should finally have signalled that banks will be forced to lend to businesses and, if not, that the Government would start lending to businesses directly themselves. Instead of using £12.5 billion to give a temporary VAT cut that no one has noticed, that is helping nobody and which everyone will have to pay for later, any borrowed money should have been used to invest in our common future; in greener energy, public transport and better and more social housing.

Finally, the Queen's Speech today could have been used to propose legislation to stop the scandal of the way in which energy companies now charge people for their heating. At the moment, the first units of energy are billed at a higher price than any subsequent units of energy. It sounds technical, but what does it mean in human terms? It means that a pensioner on very modest means, scrimping and saving to heat one single room in her house, will be paying more for her energy than a millionaire heating five floors of their mansion from top to toe. That is wrong, it is a scandal, it should have ended and the Government could have done something about it now.

The banking Bill will not restore lending to struggling businesses. The local government Bill will not allow councils to invest money in housing and the education Bill will not stop the loss of apprenticeships. The tub-thumping populism that we have had for 10 years now on law and order will not cut crime, either.

Keith Vaz (Leicester, East) (Lab): I understand what the right hon. Gentleman is saying, but does he not welcome the proposals in the police and crime reduction Bill to ensure that alcohol will not be freely available to young people as it has been in the past? Does he agree that it is necessary for us to do something to control the number of alcohol-related crimes—the figure is now 49 per cent? Does he welcome those proposals?

Mr. Clegg: I agree that it is an issue but instead of immediately reaching for the statute book, the Government could now, and could have done so a long time ago, prosecute those licence-holders who are still escaping prosecution for selling alcohol to under-age children and for being the direct source of so much disruption in our town and city centres every single week.

The Prime Minister marches round the world, trying to be the chancellor in chief of every country he visits, but he is supposed to be running this country. He is supposed to be providing help to millions of British families, not congratulating himself on the fact that he is having a "good recession." The Prime Minister is showing astonishing hubris today and we need to see a little more humility. People need less of his arrogance and more of his help.

The present economic crisis shows that not only that our economy is broken but that our politics are increasingly broken, too. As people despair about their own economic futures, they will despair, too, at the failure of our political system to provide the responses that they need. This is dangerous; dangerous for this House and dangerous for anyone who believes in a parliamentary democracy. It breeds discontent, extremism, anger and frustration. People need solutions, yet they look around today and what have they got? Pantomime. This is a Government who received barely 22 per cent. of the eligible vote at the last election, who are stumbling through a crisis of their own making, ramming through laws, deaf to all criticism, and blind to all dissent. People will give up on politics if we are not very careful. It is no wonder that in the last two general elections—those of 2001 and 2005—more people did not vote; more people stayed at home than voted for this Government. If this Government were truly a reforming Government, the Queen's Speech would attempt to reform our politics as well as our economy: it would move to get big money out of party politics altogether; it would reform a clapped-out, unfair electoral system; and it would devolve power away from Westminster and Whitehall, where it is being hoarded. Yet we have none of that from this Queen's Speech.

Mr. David Drew (Stroud) (Lab/Co-op): With that point in mind, will the right hon. Gentleman give back the money his party has taken from Mr. Brown?

Mr. Clegg: The hon. Gentleman could have done a lot better than that, but I accept that this is a problem for everybody in this House. Anybody who cares about the legitimacy of parliamentary politics today should care that the public have become extremely sceptical and apathetic. That is why we should all work together. The opportunity was there to make sure big money was finally taken out of party politics altogether, but this Queen's Speech was just pantomime.

David Taylor (North-West Leicestershire) (Lab/Co-op): The right hon. Gentleman has sufficient time to answer the perfectly reasonable question asked by my hon. Friend the Member for Stroud (Mr. Drew): does his party intend to give back the money from the criminal who now languishes in prison?

Mr. Clegg: Being questioned on donations by a member of the Labour party is a bit like being lectured on customer service by Basil Fawlty. As I have said, we all need to work together in order to make sure that such money is removed from politics, as its presence has seriously damaged public confidence.

This Queen's Speech was a pantomime: bright colours, bad jokes, little substance. This Government have run out of ideas. It is clear that the country needs a new and different direction—a new political beginning—and that is what the Liberal Democrats will deliver.

4.57 pm

Sir Stuart Bell (Middlesbrough) (Lab): It is a pleasure and great honour to be called so early in the debate on the Queen's Speech, and it is also a pleasure to follow the right hon. Member for Sheffield, Hallam (Mr. Clegg). He described the Queen's Speech as a pantomime. I have now attended some 26 Queen's Speeches and have gone to the other place to follow proceedings, and I have always thought it more a pageant than a pantomime.

It is clear from this debate and the Queen's Speech that there are difficulties in handling the recession. The Gracious Speech must be set against the background of world economic events; we cannot stop the world and get off. The Government's goal is to steer the country through a financial crisis that has converted itself into an economic crisis, and that may yet become a social crisis the like of which we have not seen since the 1930s and the time of the Jarrow marches. There are various corollaries to that: deflation, unemployment and recession leading to depression. That is why, as is clearly stated in the Gracious Speech, the Government place such emphasis on workers, families and small businesses in order to alleviate any effects of the recession and to prevent it from being deeper or longer lasting than it needs to be. That highlights the importance of a fiscal stimulus linked to a monetary policy, and that is where there is a clear difference between the views and positions of the Government and the Opposition.

The Leader of the Opposition made a fine speech. I congratulate him on his humour and on the way he conducted himself; in the House of Commons we can congratulate other Members when they make good speeches, like Geoffrey Boycott would always congratulate the bowler who bowled him a good delivery. However, as is clear from today's debate, there is a clear difference between the views of the Leader of the Opposition and Opposition Members and the views of the Government. The Leader of the Opposition today prayed in aid the German Finance Minister and, in the past, he has prayed in aid the German Chancellor. Although Germany has fallen into a recession, along with the other 12 member states of the eurozone, and although it is committed to a fiscal stimulus as well as to monetary policy, the German response has been hesitant and modest—some €12 billion of fresh spending over two years, or roughly 0.25 per cent. of gross domestic product, triggering €50 billion of investment. The German Finance Minister has set his face very clearly against a fiscal policy only; he gave his approval to the idea of a monetary stimulus and, as the Leader of the Opposition mentioned, he discussed events going back to the 1970s. This always reminds me of a line of poetry:

"And see how dark the backward stream
A little moment passed so smiling."

It is not possible in the age we live in to go back over things; we have to go forward.

The Leader of the Opposition's response to the Gracious Speech made much of the situation in Germany, so it is as well to remember that Germany signed up to the G20 Washington statement calling for a fiscal stimulus, even if it is a modest one, and a fiscal stimulus has been declared as the way forward by the International Monetary Fund, the Governor of the Bank of England, the CBI and the Institute of Directors.

The Leader of the Opposition said today, as he has done in the past, that he does not necessarily believe in the fiscal stimulus. He does believe in what I would call the single-club economic policy; he believes that tax cuts should be funded from elsewhere in the budget. He referred to that today, putting forward some of his own proposals: freezing council tax; cutting national insurance; creating 3 million jobs; and, again, he referred to his national loan scheme. That is a modest set of propositions when contrasted with the Chancellor's proposals for small and medium-sized enterprises—£1 billion-worth of tax cuts, £2 billion in loan guarantees and £4 billion from the European Investment Bank, all building on monetary policy. That is a positive and proactive approach to the present economic downturn and recession, which, again, places the emphasis on workers and businesses. The Government's approach differs from the Opposition's on that. The Government believe in a strong dose of intervention at this time to see us through the recession and lessen its impact, whereas the Opposition are content with what I would call a minimum approach—lowering interest rates and letting them take the strain.

Lembit Öpik (Montgomeryshire) (LD): I agree with some of those policies, because they are eminently sensible, but does the hon. Gentleman accept that the reduction in VAT is offset for small and medium-sized businesses, especially those involving transport, by the increase in fuel duty? In fact, what was given with one hand has been taken away by the other. Unless fuel duty is reduced, the long-term effect of that will be a net increase in the cost of fuel, which will have a devastating effect in constituencies such as mine.

Sir Stuart Bell: I am grateful to the hon. Gentleman for that, and I would say two things to him. First, I agree with him on fuel tax, about which I have been lobbied by constituents. Road haulage plays a major part in our economy and in the distribution of goods. All the lobbying that has taken place has not succeeded in reducing the fuel tax. Secondly, the VAT reduction, which people tend to overlook, will be in place for 13 months—it is not something for Christmas only—so over the long term, it ought to help our economy and lessen the effects of the recession.

Today, the Prime Minister and the Leader of the Opposition both talked of monetary policy and the actions of the Royal Bank of Scotland. Not only is it committing overdraft facilities, but those are to stay in place for 12 months from the date agreed; it is leaving rates as they are; and it is also providing some 500 managers to offer more intensive support to their small and medium-sized business clients. The Prime Minister referred not only to that, but to the RBS and Bradford & Bingley not repossessing for six months. He also said that eight mortgage lenders would defer interest for two

[Sir Stuart Bell]

years, guaranteed by the Government, if that would be helpful. We are seeing a hands-on approach to helping those individuals in our society who have problems.

Getting back to the face-to-face banker, who deals with cases individually, will be a great help to the 1.1 million small business customers of the Royal Bank of Scotland, and that can be emulated by others. That is the sort of interventionism that we should all welcome, although it does not appear to be supported by the official Opposition—as opposed to the Liberal Democrats, whose views I respect and have listened to carefully for many years.

We have seen interventionism in the recapitalisation of the banks and financial sectors, and now the focus must move to the industrial sectors where the situation is less clear. We are clear that we do not want jobs to be lost or businesses put into liquidation, but what will that interventionism mean for business communities, such as the motor car industry? Are the Government prepared to intervene and put some £2 billion into that industry, or should we take a different view? I heard no reference in the Queen's Speech to saving Woolworths, for example, and it is unlikely that we will intervene to save that business.

I turn now to the differences between those on the Conservative Front Bench and my party. I was much heartened by the comments of the hon. Member for Runnymede and Weybridge (Mr. Hammond), the shadow Chief Secretary, who declared only two days ago that, if tax increases are required, the priority of the Conservatives—should they come into office—would be to protect those on the lowest incomes. Those on our side of the House who believe in a fundamental and irreversible shift in the balance of wealth and power to workers and their families will be much heartened by the hon. Gentleman joining our happy band of brothers.

We already have British Financial Investments holding shares in banks on behalf of the state, and the Shareholders Executive will work alongside British Financial Investments. President Nicholas Sarkozy has introduced a strategic investment fund in France, in the national interest, to take minority shares in major French companies, essentially to prevent them from falling into foreign ownership, but also if such acquisition is strategic and in the national interest. Is that the approach that the British Government should take? How should we handle the difficulties of the business sector, including major contributors to our economy such as the car industry? Are we proposing an equity participation in those companies, or giving them loans or guarantees?

The Gracious Speech made it clear that the economy and how we handle it will be at the centre of the Government's focus over the year. That is not surprising, as the recession will be with us for a long time. Every day, jobs are lost and businesses affected. What will the Government's policy be? Will the Government assist the car industry or should we emphasise other industries, such as eco-industries—the new kinds of industry that we have been trying to develop for some time?

As Lord Mandelson told the CBI only recently, the next industrial revolution and the low-carbon and post-carbon technologies are what will define the 21st century, including manufacturing areas such as fuel cells, plastic electronics and Bluetooth technology. He hoped that the United Kingdom would be a magnet for what he aptly described as green collar jobs. That sector could be worth trillions of pounds annually by the middle of this century. In June, for example, the Prime Minister said that renewable energy could provide 160,000 new jobs. We did not hear too much about that today, but any review of eco-industry will show that that is where future investment should lie. We need an industry that is diverse, covering manufacturing and services; using new technologies; seeking to minimise environmental damage; supported by public and private enterprise; improving water, soil and air; minimising pollution; and creating a new tier of personnel with commensurate management skills. That idea is at the heart of the Queen's Speech, at the heart of what the Government are trying to say and at the heart how we deal with our economic problems, how we deal with the future and how we reorient our industries.

Greg Mulholland (Leeds, North-West) (LD): The hon. Gentleman makes an extremely important point. May I talk to him about some old jobs that also need to be considered? There was nothing in the Queen's Speech about the thousands of people employed in the British pub industry; I know that the hon. Gentleman supports pubs. The Government have announced a devastating increase in duty and we have not heard a single thing about plans to reverse that or about how they will support the pub trade through this difficult time.

Sir Stuart Bell: The hon. Gentleman makes an important point. As the recession develops, each sector and each segment of our industry must be looked at and dealt with and cannot be swept aside. The trade to which he refers is part of the service sector and employs quite a lot of people, and we have to consider its difficulties as we consider everything else. The Government have to be a listening Government and an active Government. They must be proactive and they must deal with problems, as they come along, in the best way. They ought to do that within the following framework: they should ask whether when they intervene they should intervene within the free market or in a stronger regulatory form; and they should ask how they can protect jobs and small businesses. That was made very clear in the first four paragraphs of the Queen's Speech, which were the essence of the speech.

The United Kingdom has invested some £600 million in private research and innovation in low-carbon technologies, replicating plans in other European Union member states and in the United States and south-east Asia to create, as the former Chancellor said in March 2007,

"a global network of collaborative sustainable energy research centres"

that will lead to

"the creation of a global research platform and hub."

Let me return to the essence of how we deal with our industries. I note that Lord Mandelson is assembling a route map to assess those industries that are viable and those that are not, as well as those that need help, which would include the industry mentioned by the hon. Member for Leeds, North-West (Greg Mulholland). Lord Mandelson will not go back to the ethos of national champions and he will probably not go back to the suggestion of an industrial investment fund to take equity participation, but whatever he does will have to fall within the principles

of new Labour. New Labour is not a carcase—it is not dead. Its principles of fairness and justice will help small and medium-sized enterprises. We will not look back at the days of the Industrial Reorganisation Corporation but we will look to a future where the emphasis is on new eco-industries and technologies.

Reference was made in the Queen's Speech to the hosting of the G20 summit on 2 April, and President-elect Obama will be coming. Emphasis will be placed on the financial markets, the world economy and the reform of our various financial institutions. The package will have to be proactive. As I said in the beginning, we cannot simply deal with the problems of the economy on the basis of interest rates. Interest rates might come down tomorrow—they might go down further. In Japan, they went down to zero, but that did not turn the economy around. Interest rates in the US might go down to zero, but that will not turn the economy around. We need the positive input of a fiscal stimulus, coming from every side that we can think of—again, that was mentioned in the Queen's Speech—to help small businesses, medium-sized businesses, the workers and the workers' families. Those principles will see us through the recession. They will lessen its impact, although they will not get rid of it altogether.

There has been lots of talk about electioneering and how we handle elections. Those are not the issues that face the British public. The British public must come out of the recession in a better and stronger position than the one in which they went into it. It will take time, but it can be done. As the Prime Minister said, it must be done in the interests of the British people. The Gracious Speech sets the framework for that and as a nation state we all ought to work together for that aim.

5.14 pm

David Maclean (Penrith and The Border) (Con): It is always a pleasure and a privilege to follow the hon. Member for Middlesbrough (Sir Stuart Bell), who is my esteemed colleague on the House of Commons Commission and the Members Estimate Committee. I do not speak in this House wearing my Commission hat but, with that as background, it may helpful if I comment on a few Bills in the Queen's Speech. I shall begin with the one that proposes to strengthen the role of Parliament, but I too regret that there is no Bill on the civil service, as it has long been Conservative party policy that we should have a Bill to restore the civil service's neutrality and impartiality.

It is interesting that a Bill to make the police more accountable should be in the Queen's Speech only a few days after the outrage that has concerned everyone in this House. Like nearly all hon. Members, I am appalled at the Home Office's reaction and the police's over-reaction.

Let us get to the key point. It does not involve Mr. Speaker, although too many people are focusing on this House as the scapegoat; in fact the House was at the end of the line of action. Instead, we should look at who started this assault on democracy. We were told that the Home Office permanent secretary called in the police, but the Met said today that the police were called in by the Cabinet Office.

I have served in the Home Office, and have always respected the calibre of the staff there and considered them second to none in government. However, if it was Sir David Normington who called in the police, he really is the guilty party whose judgment is so flawed that he is not fit to retain his position. If it was the Cabinet Office driving the affair forward, the guilty person would be Sir Gus O'Donnell, and he too should explain his actions and consider his position. I leave it to people in this House much more distinguished than I am to argue about how much the Home Secretary or other politicians knew, but the point is that David Normington and Gus O'Donnell knew everything. They thought it right and proper to arrest a Member of Parliament who revealed the truth about the Home Office—a Department described by a former Home Secretary as "not fit for purpose".

In my 25 years in Parliament, I have never attacked or criticised a civil servant, and I deeply regret that I am now forced to do so for the first time. However, the evidence seems to suggest that Sir David Normington and Sir Gus O'Donnell were the ones who brought in the Metropolitan police's special branch and anti-terrorist squad to track down the leaked Home Office documents. If that is what happened, they are the ones who are not fit for purpose and they should explain themselves rather than hiding behind the Home Secretary, the Prime Minister and other senior members of the Government. Ministers may have their own explaining to do in due course, but we are in danger of losing sight of who initiated this arrest.

Although I regret that there is no Bill on civil service neutrality in the Queen's Speech, we are promised a Bill on police accountability and I turn now to the Metropolitan police. I was a Police Minister for four years, and it was the greatest and most exciting job in government that I was ever asked to do. I liked it so much that I turned down promotion to something else so that I could stay on as Police Minister. I have always defended the police in this country because I regarded them as the finest in the world. I think that all of us have had our illusions about British policing shattered because of this despicable assault on parliamentary privilege by some officers or a section of the Met.

Who are the senior officers who responded to Sir David Normington's demand to investigate Home Office leaks? Why did they not tell the Home Office to sort the matter out internally, as they always used to? Of course, the Prime Minister was absolutely right to say today that operational independence is very important for the police, but that also means that they should not act as lackeys of the Home Office or the Cabinet Office when the senior civil servant there picks up the phone and says, "Excuse me, chaps, could you send in your top team to get this politician?" Who thought it right to involve anti-terrorist officers to raid the home and offices of my hon. Friend the Member for Ashford (Damian Green)? Where is the sense of judgment or proportionality? Furthermore, have they nothing better to do?

We are very fortunate that the Government withdrew their proposals to hold people in detention for 42 days without trial. Some of us who were sceptical about that have now seen that some sections of the Metropolitan police cannot be trusted with nine hours of detention, let alone 42 days.

Lembit Öpik: The right hon. Gentleman will recall my long campaign to try and get to the truth of what happened to Army recruits at Deepcut barracks. It was

[Lembit Öpik]

claimed originally that they committed suicide, but the truth may not be so clear. One of the greatest frustrations in my campaign was getting the release of a report by Devon and Cornwall police into the actions of Surrey police in investigating those deaths. I now feel that there has been a conspiracy of concealment, involving a Government Department and those police forces, to cover up what may have been murder. Does he agree that a police accountability Bill might help us to get the truth about what happened to Cheryl James and the other dead recruits?

David Maclean: The whole House has heard what the hon. Gentleman has said. I am not expert in that area and would not wish to go down that path, but we will all now wish to examine carefully any police accountability Bill to see what additional safeguards it might require.

The hon. Gentleman mentions an independent inquiry. The Met has called in the transport police to conduct an independent inquiry. Irrespective of how senior the head of the transport police may be, this is a matter of great constitutional significance. Half a dozen people in the other place may be qualified to rule on the constitutional propriety of parliamentary privilege; some in this House will be qualified to do that, but I am certain that the head of the transport police is not capable of conducting a proper independent inquiry into whether the Metropolitan police acted with due care and diligence and proportionality in arresting a Member of Parliament for leaks from the Home Office. It is a farce; it is ridiculous; and it does the Met even more damage.

Today, I understand that the acting commissioner has made a robust defence of the police. He says that they must be able to act without fear and favour—he is absolutely right—but Members of Parliament must be able to do our duty. Using police officers to interrogate a Member of Parliament for doing his duty is a gross abuse of police powers. I regret that I am saying these words because I have liked the Met for years. I had an old uncle who served in the Met many years ago. I greatly enjoyed being the Minister responsible for the Metropolitan Police in my four years at the Home Office. But until the Met police get their act together and sort themselves out, they are casting a shadow on the neutrality and integrity of the whole British police service that the rest of the police service does not deserve.

Finally on this matter, I say to my colleagues that, clearly, some decisions were made in the House—we shall find out more about them—that were perhaps not best advised, but I ask colleagues on both sides to call off attacks on the Chair of the House. Such attacks only feed those in the print media, some of whom sit in judgment above Mr. Speaker and have always held a grudge against him. Yes, we must make it clear that we will defend Parliament from all unwarranted assaults on our rights, but we do not defend Parliament by going along with some in the media who wish to bring down Mr. Speaker. It is interesting that some of those in the print media who now profess to want to defend the status of Parliament are among the first who want to rake in our dustbins to find every derogatory item that they can get. So let us turn the spotlight not on those who are at the end of the chain of accountability, but on those who initiated the action in the first place in the Home Office, in the Cabinet Office and in the Metropolitan police, who did not have the sense to do the right thing and tell the Home Office to sort it out itself.

The Minister of State, Department of Energy and Climate Change (Mr. Mike O'Brien): I have listened with care to an attack on the Metropolitan police and civil servants. The right hon. Gentleman has a very strong record as a former Home Office Minister, so I am surprised to hear him make that sort of attack. Does he understand that the central allegation is serious if not unprecedented? It is that a former Conservative council candidate, after seeking a job from a Tory MP, whom I understand was a spokesperson on the Home Office at that stage, later joined the civil service to act as, in effect, a spy, giving information on political opponents and to steal confidential information.

Peter Bottomley (Worthing, West) (Con): On a point of order, Mr. Deputy Speaker. In part of the last sentence, the Minister was saying why someone had joined the civil service. If that remark does not have any supporting evidence, it should be withdrawn instantly, please.

Mr. O'Brien: May I make it very clear that if the hon. Gentleman had listened to the rest of my intervention, he would understand that I am not quite making an allegation but asking a question about the stealing of some confidential Home Office documents? The inducement might have been—and this seems to be part of the concern of the police—the hope of some sort of preferment if the Conservatives won an election.

Peter Bottomley: Further to that point of order, Mr. Deputy Speaker, we know that no charge has been laid. We have now had a second allegation from the Minister. If he has that information available in his hand in writing, will he provide the evidence, put it in the Library and lay it on the Table of the House of Commons? He has a prepared intervention. Will he lay down the basis for what he is saying now, so that the whole House has it?

Mr. Deputy Speaker (Sir Alan Haselhurst): I think that the Minister is developing a point of intervention into the length of a speech. I think it is also outside his current ministerial responsibility. Nothing that he said was out of order. It might be a matter of dispute, but I think that the more we delve, the more difficult territory we get into, which would be better reserved, in so far as it is in order, for the debate that Mr. Speaker has indicated will take place on Monday.

Mr. O'Brien *rose—*

Mr. Deputy Speaker: I hope that the Minister will not be too long.

Mr. O'Brien: I rise just to clarify for you, Mr. Deputy Speaker, the fact that we do not know whether any of these allegations are true or not. I am merely saying in response to the point made by the right hon. Member for Penrith and The Border (David Maclean), a well-respected Member who is a former Home Office Minister, that those allegations merit a serious police investigation

at least. Whether the incident in relation to the House of Commons was right or not is a matter for others to look at. I merely responded in an intervention to the point that he was making. I took the view that his making that point and attacking the police was a matter of great seriousness, considering his experience. We do not know whether any of these allegations are true or not, but they are serious and it is right that the police should investigate them.

Mr. Deputy Speaker: I do not think that that particular issue is in dispute. We will certainly hear more about it on Monday and that is probably the better context in which it be done.

David Maclean: Precisely. I had concluded my remarks on that matter, but I respect the Minister and I gave way to him. I simply make the point, which has been made by others, perhaps from a sedentary position, that we do not know whether any of these allegations are true, so why repeat them in this place? I have not made general attacks on the civil service; I have strongly criticised two very senior civil servants. If I am wrong, I will happily withdraw my remarks and apologise in a public place to them, but I am commenting on facts that do seem to be in the public domain—that Sir David Normington at the Home Office and the Cabinet Office have initiated this action. I am commenting on the fact that the Metropolitan police have done what they have done and I said that their judgment was flawed because it was a gross over-reaction which has left me deeply saddened by and disappointed in the Metropolitan police. I hope that this matter can be cleared up because I want my faith and trust in the Met restored. I always thought that they were a tremendous police force, acting under the most difficult conditions, doing an almost impossible job in the capital. I have defended them from many previous attacks. The fact that I in my position now find I am attacking a section of them gravely disappoints me more than perhaps it does the Minister.

I welcome the marine Bill. I believe that it will give access to our coast, which leads me to the point that, if people are going to have the right to walk around our coast line, we must have adequate safety measures for them. The House may not know that in a part of my constituency on the Solway firth we have large mudflats very similar to those in Morecambe bay, with the same sort of tides and highly dangerous access. When one is out on those mudflats, if the tide comes in one has only a few minutes to get to shore before one finds oneself in deep ravines; one can drown.

There is only one sort of boat that can rescue people on those mudflats: it is a flat inflatable dirigible—I think it is called a DIR boat. It is run by the coastguard service. Our coastguard masters in Liverpool have withdrawn the boat because they said that it was not safe enough. They say that the Silloth on Solway lifeboat can do the job instead. The courageous souls of the Silloth on Solway lifeboat thought they would do a test, and of course they got stuck in the mud within minutes; the boat was too deep adrift to go on to those mudflats. I have been protesting vociferously about that.

I wrote to the Maritime and Coastguard Agency and the Under-Secretary of State for Transport, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick), whom I deeply respect, although I regret his taking the same line as the head of the coastguard service. In one splendid passage in his letter, he said:

"In practice, for rescues at the upper reaches of the Firth at low tide, Liverpool Maritime Rescue Co-ordination Centre is more likely to task a search and rescue helicopter or a mud rescue team approaching on foot across the mudflats."

If someone were on the mudflats and could walk off, they would not need rescuing by a team walking on to the mudflats—the proposition is barking. If we are going to enact the marine and coastal access Bill, we need a proper lifeboat service and must make sure that the coastguards have the proper resources. We need flat, little, inflatable boats, which are not expensive, in areas such as Burgh by Sands in my constituency and other parts of the country, or we will face deaths and catastrophe.

I note the introduction of the banking Bill, which, in the Government's words, will bring in "fairness". I support and welcome that Bill, but if we are going to have fairness, the Bill must deal with the iniquitous charges that banks impose on not only businesses that are renewing their overdrafts but ordinary individuals. One of my constituents has informed me that when they went 50p over their overdraft with the Halifax, they got a £39 penalty, which is the routine penalty. Another constituent went 1p over with Barclays, and the fine was £35—Barclays has now reduced it to about £6.

I pay tribute to the wonderful website moneysavingexpert.com, which has been fighting a long battle to limit unfair, ruthless banking charges. More than 3 million people have downloaded letters from the website, which they can send to banks to say that they want their money back from unfair charges. Credit card companies now charge an admin fee of about £12 if one goes over one's credit limit, so the banks have recognised that charges of £39, £35 or £25 are totally unfair in the case of someone who has technically gone over an overdraft limit.

The Office of Fair Trading won a court case in the High Court in April this year on the introduction of fairness into the regulations. The banks have, of course, appealed, and everything is on hold. The banking Bill is a splendid opportunity to lay down that the OFT shall have the absolute right to determine a fair banking penalty or the cost of sending a computer-generated letter stating, "Oi, Maclean, you're £10 over your overdraft. Pay it back." We must build it into the legislation, and not leave it to the OFT, that the banks will refund within six months every penny of the £2 billion that they have ripped off individual consumers over the past few years through unfair charges.

I note that the Queen's Speech does not include legislation on pharmacies, for which I am grateful. I hope that the Government will withdraw their pharmacy White Paper and plans to change the pharmacy system. There is no problem with pharmacies, as hon. Members will have found in their constituencies. The White Paper includes proposals that would be disastrous for some rural areas, because people would not be able to use the local dispensing chemist in the doctor's surgery and would be forced to go many miles to another chemist. I understand where the Government are coming from—if a town contains two or three good little private pharmacies, it may be unfair for the doctors to have one too—but the parameters set by the Government would mean GP dispensing being wiped out in many parts of the country, in which case there would be no other convenient dispensary for people to get their medicines.

David Taylor: Far be it for me to defend the Government on that issue—I have made criticisms and written to them on many occasions—but will the right hon. Gentleman accept the correction that, as I understand it, the White Paper proposes ending GP pharmacies only if there is a pharmacy within a mile of the GP practice's headquarters?

David Maclean: Yes, that is right. However, in some cases those private pharmacies will be open only nine-to-five and on Saturday afternoons; they will not be available during the out-of-hours times that a GP service could manage. If in my town of Kirkby Stephen, for example, somebody needed a prescription late on a Saturday afternoon and GPs were not allowed to prescribe, that person would not be able to get their medicine at that time.

The White Paper lays down the option of doing nothing, and I ask the Government to take that option. Has anyone encountered a huge problem with GP prescribing at our pharmacies before? The Government are shaking the system up for no good reason, except one—GP prescribing is more expensive. It seems that doctors tend to prescribe more expensive drugs, rather than the generic ones that they could prescribe, from their own pharmacies. However, the control method is in the Government's hands: they could inspect GP pharmacies and impose sanctions on doctors who over-prescribed expensive drugs.

David Taylor *rose—*

David Maclean: I shall give way again, but then I must get on.

David Taylor: I thank the right hon. Gentleman for giving way yet again. The Measham medical unit in North-West Leicestershire is an example of an excellent GP dispensing pharmacy. The right hon. Gentleman mentioned the Government's view that GP prescribing is more expensive. People at the unit would say that such prescriptions are more effective, and that effectiveness rather than cost is the measure by which we should assess how effective GP dispensing is.

David Maclean: I would certainly accept that as a criterion, but it is not one of the three reasons given in the White Paper about why the Government are disturbing the system. There is no mention of making the system more effective through GPs or private pharmacies issuing better quality, more effective medicines. One of the main reasons given is cost. GP prescriptions for GP pharmacies are more expensive than those for external pharmacies, so the Government are bearing down on that—and if they cannot bear down on the cost in that way, they will ban the GPs from making such prescriptions. That is the wrong approach. If GPs and individual practices are prescribing over-expensive medicines, there is a system in government and the health service to spot that and clobber those responsible.

Finally, I wish to comment on the private water supply regulations. I can see nothing in the Queen's Speech directly relevant to them, and I hope that there will be a chance for the Government to withdraw them. The Department for Environment, Food and Rural Affairs is consulting on the implementation of EU regulation 98/83/EC. As has happened under all Governments, DEFRA is adding bells and whistles and gold-plating. The regulation covers even private water suppliers. If one has a well in one's back garden, its water has to come up to a basic standard of purity. The cost of inspection at the moment is about £50 to £70; under the DEFRA proposals, it will go up to between £700 and £800. The Department is suggesting that it will bring in the full risk assessment system and the full inspection that applies to larger private water users, which consume more than 3 cu m of water a day. That is a lot.

Scotland, of course, is not going for that. It is going for the derogation and will not apply the measure to any private water user consuming less than 3 cu m of water. Ireland is not applying the measure. I understand that the Welsh Assembly is in discussions with DEFRA about the regulation at the moment, and I will be amazed if the Welsh implement it. However, DEFRA in England is going full steam ahead towards imposing those ludicrously high charges—and on people who could not get a public water supply in any case. Those people are not making a lifestyle choice to live in the mountains, have a bore hole and put up two fingers to United Utilities. They cannot get water through the mains pipeline because they are so far away from it. In addition to their not being able to get mains water and sewerage, they could now face punitive charges for having their own water from their own well inspected by busybodies who think they know better than local householders.

I have mentioned my reservations about what is not in the Queen's Speech, but I welcome large parts of the measures that are in the Queen's Speech. I end where I started: I am sorry that we may have to build in measures to put police controls into a Bill dealing with police accountability so that the police do not exceed and abuse their powers. Furthermore, we will step up our calls for a Bill to restore the civil service's impartiality and integrity, and the respect that it has had in every country of the world. Despite what I see as failings at too high a level at the Home Office and Cabinet Office, we still have the finest and best civil service in the world.

5.39 pm

Keith Vaz (Leicester, East) (Lab): It is always a pleasure to follow the right hon. Member for Penrith and The Border (David Maclean). I pay tribute to him. Despite his disability, he contributes fully to the work of this House. He gave a typically passionate and very fair speech highlighting issues that naturally concern Parliament at the moment, and he did so in a way that we can all respect. He was right, in particular, to praise Mr. Speaker for the way in which he conducted himself. Mr. Speaker was absolutely right not to start giving press conferences because of the circumstances that have arisen since last Thursday. He was right to come to the House to address Members first and foremost about this issue. There are no leaks from the Speaker's Office, so nobody was aware of what he was going to say from the Chair, but I was as surprised as probably every other Member of this House to hear that a Member's offices were searched without a warrant and with the consent of a third party.

Mr. Speaker was right to set up the inquiry that we will debate on Monday, when we will have the opportunity to discuss some of the issues that were raised by the

Minister of State, Department of Energy and Climate Change, my hon. and learned Friend the Member for North Warwickshire (Mr. O'Brien) and, to a lesser extent, by the right hon. Member for Penrith and The Border. That is the right time for everyone to have an opportunity to air their views on this very important issue. I look forward to the debate. I hope that we will be able to set up a Committee that reflects the House and is able to do what Members want it to do, which is carefully to consider all the circumstances of this case. After all, we are setting up an inquiry into an event that occurred not several months or years ago but last Thursday, so it should be very fresh in the minds of everyone involved.

If the right hon. Member for Penrith and The Border is right—I am sure that he is, judging from what has been said in the newspapers—this concerns a lot of very senior members of the Metropolitan police and of the civil service. I have spoken to the Home Secretary, who is yet to make a statement on the matter; I gather that she will do so tomorrow after business questions, although it has not been confirmed by the Annunciator. That will be her opportunity to put on the record what she knew about the circumstances surrounding the arrest of the hon. Member for Ashford (Damian Green). In my conversations with her, she has been very clear that she knew nothing. However, let us hear it not from me or the media but from her when she makes her statement tomorrow and, if she participates, in the debate next week. Let us keep those discussions for that debate while registering, as did the right hon. Member for Penrith and The Border with the passion that he displayed, our grave concern as parliamentarians as to precisely what happened last week. I hope that we get an explanation from all those who were responsible. As for Officers of the House, for whom we have very high regard, I am sure that the inquiry set up by Mr. Speaker will take evidence from them.

When this story broke last week, members of the Home Affairs Committee were keen that we should investigate all or part of the circumstances. We will discuss the matter on Tuesday, when members will for the first time have an opportunity to discuss the events of last week. If we decide to move forward on this issue, that will be a further opportunity to do as the right hon. Member for Penrith and The Border asked, which is to examine very carefully what the police have done. It affects not only Members of this House but every citizen of this country if they are allowed to go into the house or office of a third party without a warrant but with the consent of a third person. That will create a lot of problems. For example, what if someone is out on a particular day when the police want to search their property, and their landlord happens to be there? If they get his consent, is that enough in law?

Andrew Stunell (Hazel Grove) (LD): The right hon. Gentleman makes a serious and important point. Many of us were astonished by what we heard from Mr. Speaker earlier. The right hon. Gentleman has a legal background. In his opinion, before what we heard this afternoon, would it have been right for a landlord to be able to give consent in such a matter?

Keith Vaz: Only if we regard the Serjeant at Arms as our landlord. The hon. Gentleman is right: what happened creates many precedents. I want to know the timeline—the moment the decision was made and when the Mayor of London was rung. It was odd to ring the Mayor of London, but not tell the Home Secretary. Perhaps the Mayor of London is normally rung about such matters and he knows about every arrest that is to be made in the Metropolitan police area. Who knows? The situation is new to us all and the story changed again only at 2.30 this afternoon. Life is sometimes stranger than fiction.

Peter Bottomley: My intervention is designed to be helpful. We have heard from several people what they did not know. Would not it be good if someone at the centre of Government asked people what they did know, and put it on the public record? If, for example, the Cabinet Office was consulted about whether Ministers should be told and it decided that Ministers would not want to be told, that would cast much light on a murky area.

Keith Vaz: The hon. Gentleman is right, but I cannot speak for the Home Secretary. She will make her statement and someone will lead the debate on Monday—it could be a House matter, so the Leader of the House might lead it. If we find that questions have not been answered, the Select Committee will want to hear from the Home Secretary, because the situation might arise again. It is better to get everything straight and above board now. Let us wait for the debate and the Committee. We have no indication of when the Committee of the magnificent seven will report, but it will not be as quickly as the police, whose report will be published on 16 December—two weeks from yesterday. However, I hope that the Committee will report soon.

Let us move on to the Gracious Speech. First, I congratulate my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), who has doubtless departed for Coatbridge to hear his constituents' celebrations on his moving the Loyal Address. I also congratulate my hon. Friend the Member for Erewash (Liz Blackman), who was my Whip in the east midlands for most of her time as a Whip. I am glad that she has not revealed to the House some of the things that I said to her when I was unable to serve on a statutory instrument Committee. I have known both colleagues for many years and they both made excellent speeches. It is a privilege to move and second the Loyal Address, and they did so with great dignity and wit.

I welcome the Gracious Speech and I am glad that Opposition Members and even the Leader of the Opposition welcomed many aspects of it. The right hon. Gentleman claimed most of them—all the good bits—as his ideas. That is a good sign. We shall have a quiet Session, at least in the Chamber—we do not know about our offices—if the Opposition support everything that the Government propose.

I want to highlight four matters. Policing is obviously an issue. The right hon. Member for Penrith and The Border mentioned the police and reduction of crime Bill. I welcome the Government's desire for and commitment to greater accountability for the police. The Conservative party favours the election of commissioners—the chiefs of police in local areas. The Government propose elected members of the police committee. I have always said that the profile of local police committees should be much higher. I have no fundamental objection to their

[Keith Vaz]

members being elected rather than appointed by the various political groups and others, but when the matter is discussed in Committee, we will have an opportunity to scrutinise the proposals. My hon. Friend the Member for North-West Leicestershire (David Taylor) and I share a police committee, a chief constable and a police force. Sometimes we feel that there should be better accountability. We need to explore the best way of achieving that when the Bill is given a Second Reading.

David Taylor: My right hon. Friend and I do indeed share an excellent police authority that operates fairly well at the moment. Does he share my concern that in aiming to create popular policing, the measures, as we currently understand them, will risk creating populist policing, by having directly elected people on police authorities? The turnout for elections of that kind is not likely to be high, so are such bodies likely to have much legitimacy?

Keith Vaz: My hon. Friend is right; there are concerns. It has been put to me that holding such elections might mean that those on the far right will get on to the committees and therefore control police forces. However, in my view, the people will get what they vote for. There can be sufficient safeguards to ensure that such bodies represent the views of the public. Therefore, I support in principle what the Government propose. We need to deal with the issue by raising the profile of police committees. That will promote a better understanding of what such committees do, enabling people to call them to account in a way that was perhaps not possible previously. So, with the caveat about low turnouts that my hon. Friend mentioned, I think that people should know who runs our local police forces.

I welcome the Government's proposals on alcohol sales. The Select Committee on Home Affairs produced a major report, entitled "Policing in the 21st Century", in which we made a number of recommendations about police time. We felt that too much police time was being spent on alcohol-related crime. One in every two crimes in this country is in some way alcohol related. We felt that the real culprits were the supermarkets, by offering two cans of beer or lager or two bottles of spirits for the price of one and by reducing prices so much. That meant that it was easy for people to get pre-loaded before going out on a Saturday night. They then went out in our towns and cities, bought beer in pubs and caused even more disorder.

I am not making an attack on the alcohol industry, but it must be more responsible. If the industry is more responsible, a lot of the time that the police spend dealing with alcohol-related crime will be saved. If hon. Members go to any custody suite on a Saturday night, they will find it full of people who are drunk and who have committed violent offences or public order offences. That occupies a huge amount of the police's time. That is why it is so important not just to deal with what is happening in our supermarkets, but to send out a message to those running our clubs who offer happy hours, free drinks or two drinks for the price of one—anything to get people totally smashed, so that they do not know what they are doing. What we have heard today is a good sign that the Government are prepared to listen.

There is a commitment in the policing and crime reduction Bill to cut down even further on police paperwork. The Government's appointment of Jan Berry as the new paperwork tsar—she has not taken up her appointment yet—is a very good choice indeed, as she proved to be a very successful president of the Police Federation. As someone who has so recently served with the police at the level at which we as parliamentarians should deal with them—we need to deal not just with chief constables, but with custody sergeants and officers on the beat—Jan Berry will know where the red tape lies. When she makes her recommendations, which I hope will be in line with what Sir Ronnie Flanagan said in his report, I hope that the Government will slash that red tape, ensuring that what needs to be recorded can be recorded and that whatever is unnecessary is left to one side.

That is why we on the Committee called firmly for every police officer in the country to be given a personal computer. If they each had a BlackBerry or personal computer, they would be able to record what was happening at the scene of the crime, rather than inviting people to come back later. I do not know whether the right hon. Member for Penrith and The Border considered such a proposal when he was the Minister with responsibility for policing—I am not suggesting that computers had not been invented then—but the technology has advanced much since, so let us use it.

David Maclean: When I was the Minister with responsibility for policing, I discovered that much of the information collected by the police was required by the Home Office because we in Parliament were asking questions about it. If we as parliamentarians are prepared to accept that we might not get to know the level of crime in a particular area on a particular Saturday night, the police will no longer need to collect that information. We would be slightly more in the dark, but police time would be greatly freed up.

Keith Vaz: The right hon. Gentleman is absolutely right and makes a point that will greatly assist the use of police time. He asked earlier why they were not doing something else and why they could not find something better to do. We would like our police officers to solve crime at the local, neighbourhood level. That is terribly important.

Secondly, I welcome the equality Bill, for which we have been waiting for a long time. It is definitely the handiwork of the Leader of the House, the Minister for Women and Equality. The Bill will not introduce affirmative action, but it will deal with the remaining equality issues that we need to deal with, to ensure that our public bodies are accountable and transparent. It is good that we are going to put all the equality legislation of the past 20 to 30 years into one definitive equality Bill—one statute that deals with all the issues.

I hope that the Bill will also ensure that people feel that we remain a country of equal opportunity. Since 4 November, people have sometimes seemed to believe that equality has arrived only because President-elect Obama won the American presidential elections. However, ours is a country where people are treated equally, yet it is also important that our laws should reflect that. Changing the laws and then changing people's behaviour and attitude is how we get real and lasting change.

I have two final points, the first of which is about the banking Bill. I am sure that none of the right hon. and hon. Members in the Chamber this evening was around last Thursday when I discussed the 17-year liquidation of the Bank of Credit and Commerce International, an issue in which I have been involved in for the whole of that time. The right hon. Member for Wokingham (Mr. Redwood) was at some stage the Secretary of State for Trade and Industry and I am sure that I had a meeting with him about the liquidation of BCCI in those 17 years. Hon. Members will remember that when BCCI closed and the Bingham report recommended better banking supervision, we were supposed to have very tight regulation, so that banks would never do the kinds of things that BCCI did.

As the House knows, 84 per cent. of the money deposited by BCCI's customers has been paid back, even though when the bank closed on 5 July 1991, the then Prime Minister and Chancellor said that there was no money left in it. Because of the liquidation, almost all the money has been returned to the customers. I was simply making a plea that the liquidation should end quickly. I therefore welcome the proposals in the banking Bill that concern compensation to savers if a bank fails. That was not available to those who lost their money in BCCI. That is why they relied so heavily on the liquidation. I hope that we can implement the banking Bill in the light of what has happened in the past few months and ensure that our regulators really do regulate the banks.

My final point is about immigration. We are promised another immigration Bill, but in the 21 years in which I have been in the House, we have probably had 21 immigration Bills. All were supposed to ensure that the immigration system was working adequately, which it clearly is not, as anyone who attended the Home Affairs Committee sitting just a couple of weeks ago, at which the Minister for Borders and Immigration spoke, will know. We still have a major problem with the immigration and nationality directorate. I do not think that introducing another Bill will make the system better. What we need is administrative action. We still have a huge backlog of cases, which, to be fair, we inherited from the previous Conservative Government when we took office in 1997. However, it is no excuse to say after 11 years that there is still a backlog. I have told successive Immigration Ministers that their place in history would be assured if they were the one to clear the backlog, but there is still a backlog.

The Home Affairs Committee recently went to Bangladesh and India to look at the points-based system. In Bangladesh, we were told that the Government were deporting 25 Bangladeshis a month, but that 36 were claiming asylum every month. That is a major problem. The only way to deal with a net inflow of asylum seekers from a democratic country such as Bangladesh is to look at one's systems, not to pass more laws or to say that anyone who wants to be a citizen will have to go out and do good works to get their citizenship. We must make sure that our administration runs properly. That is what the previous Home Secretary was saying when he said that the immigration and nationality directorate was not fit for purpose.

Other Members and I have large immigration case loads. Believe me, people come to me every Friday complaining about letters from the Home Office saying that they must wait until 2011 for a decision on their case. During those four or five years, some of them will meet other people and fall in love, and some will have children. Despite everything that the Minister with responsibility for immigration says about limiting the number of people in this country, we cannot stop those things from happening. I do not think that the Government have suggested that chastity belts should be issued to the public to keep the population below 70 million.

In wearily supporting another immigration Bill, I make a plea to the Government: if they want to pass such a law, they should do so, but they should remember that the way to solve the problem is to deal with the administrative issues. That is the way to get a proper and fair immigration system.

6.1 pm

Mr. John Redwood (Wokingham) (Con): I remind the House that I am a company director, and that I have declared my interests on the register.

I echo the words of the right hon. Member for Leicester, East (Keith Vaz) about legislation often not being the answer to the pressing problems that confront the nation. Perhaps I should begin with a rare word of praise for the Government: the good thing about this Queen's Speech is that there is not too much legislation in it. I make two pleas, however. First, may we please have the time to debate, at length and seriously, the proposed legislation in it, in order to do it justice? If one legislates in haste, one repents at leisure and has to legislate again and again, as we have seen.

Secondly, may we also have more time in which to hold the Executive to account? What Ministers do when they spend money and when they lead or mislead their civil service teams, or do not lead them at all, is crucial work. Their implementation of programmes and their day-to-day work of judging cases and hearing representations is also crucial work. As a parliamentarian who would like the opportunity to have more sittings here that we could attend, I feel that we could profitably spend our time probing and discussing more of those matters. Sensible Ministers would welcome that scrutiny. As a Minister, I often found it good to have to explain to the House what I was doing. It made one marshall one's case and realise where one needed to raise one's game. Colleagues on both sides of the House made helpful points, sometimes in anger or desperation and sometimes as friends, and one would have been a fool not to take such points on board and to understand what the House was doing.

I want to speak mainly about the leading item in the Queen's Speech, which is reflected in some Treasury legislation: the need to create financial stability. I think that is the Government's phrase to mean that we need better economic policy so that living standards can start to rise again instead of falling, and so that we can do better by our constituents who face serious trouble. We see factory closure after factory closure and people going on to short-time working. Many people face having employment for only three or four days a week, some people are facing extended factory closures over Christmas and the new year and some people are facing redundancy.

All our living standards have been chopped brutally by the 25 per cent. fall in the value of sterling of the past four months. Most people's living standards have

[Mr. John Redwood]

fallen in the past year because wages have risen less quickly than prices. Living standards are also falling because although the oil price has come down a long way in dollar terms, it has not come down so far in sterling terms because of the weakness of the pound. It certainly has not come down when one faces the gas or electricity bill at home. Practically everyone in the country, save those who have managed to get an extra job on better pay, is experiencing a severe squeeze on living standards.

When I made a non-party political point to the Prime Minister during the course of his remarks on the Gracious Speech, which was designed as a helpful suggestion to him to tackle the biggest problem that confronts us today—the lack of credit and money flowing through the banking system—I was treated to the usual, foolish political put-down, which was not even accurate. Apparently, the Prime Minister has nothing better to do with his time than to consider the latest offerings on my website. I am greatly flattered by this, and perhaps that shows his true sense of priority, but would he and his acolytes please read it carefully, because what it said was that markets and Government policy are forcing living standards down? That is what I have just told the House, but I have done so at greater length on the website. That is not what I want or propose or think a good idea. I have gone hoarse and have written a lot on the website in the past two years making sensible, serious proposals to try to avoid that calamity and to prevent living standards from falling.

I deeply resent the way in which time and time again I am told personally, and the Conservative party is told generally, that we in some way welcome a recession, that we want to do nothing about a recession, that we accept a recession, that we think a recession is good enough and somehow we like recessions. I loathe recessions; I have seen too many. Yes, they have occurred when different parties have been in office, but they have all been because major policy mistakes have been made. Every one of them has occurred in ways that could have been abated or ameliorated if different policy action had been taken. That is why I have spent the past two years trying to persuade the Government that they needed to take different action to avoid recession or, now that we are deep in it, to get out of it more quickly.

Bob Spink (Castle Point) (Ind): Did the right hon. Gentleman note that Her Majesty said, in the Gracious Speech:

"My Government will work towards European action on economic stability"?

Does that fill him with fear given that this country is a net contributor to the European budget and that we subsidise 20 or so other countries in Europe? Does he think that it will be a way out of recession for us to put more money into Europe to be used in its particular and peculiar way to tackle economic stability?

Mr. Redwood: I welcome intergovernmental action of any kind that will address the banking crisis that runs across Europe and the United States of America. I do not take the hon. Gentleman's bait. He well knows that I think that a lot of money is wasted in the European Union, and that I should like it to have a much smaller budget and much less power. However, that is not the point of this debate. We are discussing the very big crisis that confronts a range of economies in the world.

Britain happens to have one of the worst and most persistent examples of that crisis. We went into it quite early, with the collapse of Northern Rock, and we are now deep in it in a way that is not mirrored in China, Japan or Germany. Those countries are rather stronger when it comes to their balance of payments and financial position. Our position is closer to that of the United States of America, where similar policy errors were made to those that were made here.

Let us be under no delusion. We did not inherit this problem from the United States of America; we do not have it because something went wrong there. Our policy makers and authorities, using their powers, made similar mistakes to the American mistakes. They should have known better, and they should listen to those of us who can give some explanation as to what went wrong. They should listen to those of us who care so much about our country that we offer them good advice to get out of the situation.

This is a big crisis, and it is not something to play party politics with. I agree with that proposition, which some have advanced from time to time. Everyone knows that I like a good party political scrap, and that I am not afraid of a good argument, but on this occasion, the magnitude of the crisis and the way in which action has been ineffective so far should be of grave concern to us all. We should listen a little more carefully and think together a little more about how to get out of the situation.

Let us consider some of the mistakes that have been made. In August 2007, it was obvious to me, as a commentator, and to many people in the City, that the money markets were drying out, that the Bank of England was not supplying enough cash and that there was going to be a banking catastrophe. We warned the Bank and told it to supply more cash, but it failed to do so. We had lectures from the Governor and the Chancellor that it served the banks right, but shortly after those lectures, the run on Northern Rock began. Shortly after that, I am pleased to say, they reversed their policy and agreed that they had to do something and to put money in. Had the Government put in the amount of money in August that they had put in by the end of the year, Northern Rock would not have gone down. It was a totally unnecessary casualty, as a result of obstinacy, foolishness and the inability of the authorities to understand the state of the markets.

In my new-year message, and in other speeches, comments and articles that I wrote at the turn of the year, I told the Government that interest rates were far too high and that, because they were keeping them so high, we were going to have a very nasty and deep recession in a year's time. I said that if action had been taken to slash interest rates at that time—I suggested halving them, and that has now just about been done, nine months too late—some of the severity of the downturn could have been avoided. The Government decided, however, that they did not want to do that. They now have to answer to the House and tell us why they refused that well-intentioned advice, and why they could not see for themselves that interest rates were far too high and doing enormous damage, and that this was drying up credit in a way that was going to hit the

jobs of their constituents as well as ours, in a way that meant that a lot of businesses were going to run out of cash and in a way that was bound to bring things down.

The Government have taken several famous lines on the recession. First, they have told us that they are on the side of everyone at this time. Well, I would hope that they are. We are all on the side of the people who are about to suffer; that is not something that creates a party political divide in this country. We are elected here to serve people, and I think that we all come here because we have a passion about the people we represent, and because we want them to have a better standard of life and better opportunities in life. That is not something that divides the parties, so it is quite wrong of the Government to go round suggesting that only they are on the side of the people.

The Government, unlike us, are in a very privileged position. We can suggest, propose and argue about what we think should be done to show that we are on people's side, but the Government can actually do these things. When they threw the challenge across to my right hon. Friend the Member for Witney (Mr. Cameron)—who was in extremely good voice today—to name five things that he would do to help people during this very nasty recession, he reeled off five extremely sensible proposals that he and others on our Front Bench have been arguing for. He obviously took the wind out of the sails of that foolish attack.

The Government should stop playing trivial politics with this issue, and see that the loyal Opposition are on the side of the people as well, and that we have some proposals that the Government have not yet adopted and that could help a bit. They need to understand that what the people want more than anything else is not help when they have a repossession crisis, when they have lost their job or when they cannot afford to pay the gas bill, but to see the Government following an economic policy that will get us out of this situation. They want the Government to offer some real hope to show that they have got on top of the banking crisis.

In its early stages, the Gracious Speech referred to legislation for the banks. I have no objection to the Government wishing to put the banking code into legislation, and I understand that the banks have no objection either. The timing of the proposal is quite bizarre, however, because the Government are going to be legislating on banking conduct at precisely the time when a big chunk of the banking sector is coming under their direct control as a nationalised industry. Perhaps the Government do not trust themselves. Perhaps they suddenly see the need to have lots of banking regulation codified in statute because they are going to be the shareholder representatives, as well as choosing and getting rid of the directors and otherwise exercising some sort of control.

This brings us to an interesting dilemma that the Government now face, and which they need to resolve. Again, it would be helpful if we could have some intelligent dialogue on this matter, rather than silly yah-boo politics. Here is the dilemma. The banks were called in on one famous weekend and told that they did not have enough capital for their existing amount of lending, and that they had to raise large sums of capital very quickly to satisfy the Government and the regulator, who could then say that the banks were secure and safe. That was a rather odd thing to do in the middle of a very bad credit crunch. It would have been very good to have done it three years ago, before the credit explosion really got under way, because it would have taken some of the pressure out of the system and moderated banking conduct. It would also have been sensible to have done it in private, and not to have leaked it, so that the banks could have had a chance to raise the money from private sources without share prices being pushed against them by untimely and worrying leaks about how strong the banks really were.

If the Government are serious that this is the right time to demand so much more capital for the existing amount of lending, they have to understand that the banks are going to lend less. There are two ways in which banks can meet the new capital requirements. One is to raise very large sums of money, and they have done that a bit, to the extent that they and the Government think that they can. The other way is to lend less, which will result in the ratio improving—the ratio compares the lending with the amount of capital—and this is primarily why the banks are lending less. They have been told, by the Government's regulator, that they need to lend less, relative to the amount of capital that they have.

At the same time, however, the Government are saying that, now that the banks are coming under public ownership, it is terribly important that they should lend more. Are the Government going to adjust the capital ratio? Are they going to provide even more shareholder capital from the taxpayer? Or do they not understand that their statements are pointing in opposite directions and are contradictory? We need a better explanation from the Government of what they really expect from the banks. Do they want them to be super-prudent, now that they realise how imprudent the regulatory regime, the monetary regime—and, yes, banking conduct—were in the run-up to the credit crisis? Or are they now saying that they have probably overdone it, and they need the banks to lend more? If that is the case, they need to look again at the ratios and consider what they are going to do.

Of course, no bank of any major scale must be allowed to go down, and I am pleased that the Government understand that. They normally suggest that people like me would like to see that happen, but of course I would not. I have gone blue in the face trying to explain why banks need to be supported, and that they need to be supported in the right way. I think that they need to be supported by an intelligent central bank that will lend them short-term funds when they need them, and by an intelligent regulator privately telling them how much extra capital they need to raise and giving them the chance to raise that capital, either by selling assets, cutting costs and generating more profit, or by going to the market, if that option is open to them. There are many ways in which banks can improve and increase their strength and their capital base, but they were not given the chance to do that because of the damaging leaks that occurred over that fateful weekend, when they were called in by the Government and the regulator.

The subject of leaks is, of course, extremely topical, and I find it odd that such an asymmetric approach is being taken to the matter. A high-level inquiry is taking place into a series of leaks from the Home Office. There will be plenty of opportunity to debate that matter, and I do not wish to detain the House by talking about it

[Mr. Redwood]

now. We need to know more before we can have an informed debate. I find it odd, however, that the same level of interest was not shown in the leaks about banking share capital, which were highly price sensitive and market sensitive, and which got out through a well-known conduit when what should have been secret talks were taking place at the Treasury. That had a big impact on the handling of the banking crisis in Britain. It speeded up the decision making, which possibly led to bad decisions being made, and, for some banks, it ruled out going to the market in the normal way or generating profit in the normal way to meet the targets. The leaks will prove extremely damaging to the taxpayer, and the information was highly price sensitive. It is surprising that no one is taking a great deal of interest in those leaks.

The other day, we heard a statement that was meant to be the pre-Budget report. The pre-Budget report is quite rightly normally delivered as a statement, in which the Government revise their economic forecasts and give some background to the real Budget. On this occasion, however, the statement was not a pre-Budget report at all; it was a Budget. In fact, it was the biggest Budget that I have ever sat through in the House of Commons. It moved more money—in absolute terms, and as a proportion of the economy—than I have ever seen a Chancellor of the Exchequer propose to move. It was vast. It was a Budget that divided the House on party lines. The Conservatives rightly said that it involved the least sensible tax cut that could possibly be introduced, which would not have the desired effect. We also pointed out that the borrowing figures were so preposterously large that the Government would be running much too great a risk. The Government, however, believe that that tax cut and that amount of extra borrowing are the right way to handle the recession.

That was a perfectly good disagreement that needed to be exposed. It was worth a decent debate. However, we got a debate only thanks to Mr. Speaker and only after a lot of huffing and puffing. A Government who come to the House in the person of the Prime Minister to say that they believe in parliamentary democracy should automatically have tabled two or three days to debate that Budget. The Prime Minister should have been proud of it, for heaven's sake. If he really believes in his case, if he thinks that he is right to gamble with so much borrowed money, and if he thinks that an immediate VAT reduction is what is needed to get everyone feeling happy and spending again, and to open the factories and stop the job losses, he has every entitlement to hold that view and to come and tell us about it. Surely he must be proud of it. I think that proposal is completely wrong; I wish it were not: if there were a quick, easy fix and if I thought that taking 2.5 per cent. off VAT would suddenly turn the economy around, I would be encouraging my colleagues on the Conservative Benches—whether or not they agreed with me—to say, "Yes, this is exactly what we should be doing". Unfortunately, I do not think there is a prayer of it working. That is why it deserved a proper parliamentary debate.

That brings me to the concluding part of my remarks, which is about democracy itself. On this day of all days, we should be reminded of the mighty battles our predecessors fought so that this place could stand up for the people against an over-mighty Executive. Now the form of the ceremony handles the King or Queen as the possible aggressor: that was true 300 to 400 years ago, but it is not true today in an era of a wonderful monarch, who is a democratic one and does not interfere in the political process. Today, the power is on the Treasury Bench: today, the power is in ministerial offices; today, the power is those in the form of Ministers who will not tell us what is going on, who will not answer to this House, who will not answer questions and who will not hold debates on the things that really matter.

That is why Opposition Members—I think Liberal Democrats as well as Conservatives—are united in believing that the Government have to wake up and listen to those who say that we need a stronger democracy in this Parliament and that we will have better government if it is more accountable government. We will have better government if the Government respect the traditions of this place; we will have better government if Ministers try to answer questions instead of playing silly politics all the time and refusing to answer. It would not have hurt the Prime Minister to have treated my intervention seriously and answered my question about the £487 billion that he is spending on the banks and the banking sector. It is a colossal sum of money; I, of course, wish him well with it; I agree with all the £37 billion of it—but it is not working and it needs to be reconsidered. The Prime Minister needs to re-examine the package to get it working quickly for all our sakes; otherwise, we are simply going to have more factory closures, more job losses, more office closures throughout this country's constituencies.

If the Prime Minister cannot see that that is how he should conduct himself, it is going to be very difficult for him to make the difficult and important decisions he needs to make to start to get us out of this crisis. It is regrettable if he does not understand that most of the information handled in Government offices is not private information for Ministers to hoard and release to their favourite journalists when they choose, but public information that Ministers have a duty to release in due time and in the proper way to this House of Commons first. The privilege of belonging to this House should be that we get the information first and that we cross-examine the Government first. Why do we need that privilege? Because that is the way we do our job for our constituents. They expect to see Government policy and information tested in the furnace of the House of Commons first, not given to preferred journalists on the side and spun in favourable ways that do not allow the alternative case to be made.

Our democracy is at risk. We have gone from having twice-a-week opportunities to cross-examine the Prime Minister to having only one opportunity. We were told, "All will be fine, as you are going to get half an hour instead of a quarter of an hour", but that matters very much. It means that the Opposition have a chance of making the agenda only one day a week instead of the two days that we used to have with two 15-minute sessions. We have gone from a system under which most of the time most parliamentary questions got sensible answers in response to the question asked to a position today when most of written parliamentary questions I table get absolutely no answer at all. I am referred to a website or I am told that I have put the wrong question, that I have no right to ask it or that the issue I raised

relates to a Government-owned bank or a quango and the Minister cannot comment on it. It is pathetic, Madam Deputy Speaker. The quality of answers to written questions is very low and we cannot have an informed public debate if the Government will not answer those written questions.

When it comes to oral questions, it is a remarkable occasion if a Minister actually knows the answer and shares it with the House. We have two sorts of Ministers: very clever ones who know the answer and will not give it away because they find it so embarrassing, and not-so-clever ones who do not even know the answer that they must not give away. It is high time that we saw some Ministers on the Treasury Bench who know their subject well enough and have enough confidence in their case to tell us what the facts are, put the spin they want to put on it and try to satisfy the more moderate-minded people on the Opposition Benches. There are some and they would be satisfied with that; others would still disagree, but do so over something that mattered and based on proper information.

When I was a Minister, before making major statements or announcements, I used to allow my shadow Minister access to civil servants because I wanted him to know quite a lot of what I knew so that we would not have a row or argument about the facts—the facts would be in common so we could have a debate about what the public wanted to hear, namely what interpretation was placed on those facts and what action had been decided on as a result of them. All too little of that happens nowadays. That is why people outside are frustrated with this place; that is why people do not think it is working as it should be; that is why people feel that all the spin—that the Government are on the people's side and the Opposition do not have a clue—is not actually working. People are hurting out there; they are losing their jobs; their living standards are falling; they are under pressure. It need not be like that: the Government should listen and they should, above all, become democratic.

6.25 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): I will not attempt to follow the right hon. Member for Wokingham (Mr. Redwood) in the animated version of his website, fascinating as it was. It seemed to me that his speech was a pot pourri of ideas about banking and parliamentary reform, which somehow did not gel together. He told us that he had foreseen the crisis—well, congratulations on that—and that the Government's measures were wrong, but he never told us what he would do. He then launched into his diatribe about parliamentary reform. Perhaps he thinks that having an extended Prime Minister's Question Time is the answer for all those people out there who are hurting. Is that his answer?

Mr. Redwood: I spent quite a lot of time on that. I explained that the Government needed to revisit the banking package to get the banks lending again. I said that they needed to look again at the regulatory framework for the banks so that credit could flow. I also explained that we needed lower interest rates. Those are all suggestions that I made.

Mr. Mitchell: I can agree with the right hon. Gentleman on that, but he did not say whether he welcomed the Government's putting money into the banks to improve their reserve ratios, which will get them lending again. He did not say whether he agreed with the Government's making liquidity available to the Bank of England, which will also help to get lending going again. He told us that markets were the answer, when it is markets that got us into this position in the first place. He criticised the failure to reduce interest rates, although he knows full well that those rates are controlled by the Bank of England, independently of the Government—a development that his party welcomed. I was pretty critical of it, but all that contributed to high interest rates, which he denounced as the cause of the problem.

The right hon. Gentleman, in his eagerness to criticise what the Government are doing, did not give us an answer. He might have been referring to the economics of Montagu Norman and Otto Niemeyer; I do not know. Perhaps that is the source of his website information, but there was no answer in the right hon. Gentleman's speech, apart from having an extended Prime Minister's Question Time. Marvellous, but that will not help all the people who are hurting in the country at large. What we need is concrete measures, which I will come to in a little while. I have no doubt that the right hon. Gentleman would disagree with me on the sort of measures that I believe are necessary, but I am surprised that a very short Queen's Speech—a very short one indeed—has brought about such a flood of indignation and complaint.

I was even more surprised to find that both the Conservative leader and the leader of the Liberal Democrats said that most of the measures in the Queen's Speech had been proposed by them in the first place, only to go on to denounce them and say that they would not work. That criticism seemed a little contradictory to me. In fact, the right hon. Member for Sheffield, Hallam (Mr. Clegg) was even more critical of the Queen's Speech than he was of his own Front Benchers when he was on his plane flight. I wish that flight had been a little longer, as we might have heard what he thought about the entire Liberal party. That might have been fairly damaging, but my point is that he was not at all supportive of the important measures that the Government have taken or of the further measures that they are proposing.

It was a short Queen's Speech and ritual indignation was in inverse ratio to the length of it. It may well be that we will have a lighter legislative load in the Session; I hope we do. I hope that the proposals put to the Prime Minister earlier by the hon. Member for Oxford, West and Abingdon (Dr. Harris) for better Report stages are followed up, so that we can actually get to grips with all the amendments, including the Government amendments. We need more serious consideration of the basis of a Bill on Report, and I hope that that will be a product of having a lighter legislative load. I imagine that the *Daily Mail* will demand that our expenses be cut appropriately to reflect the lightness of the load.

It is a light speech and a light load because we are clearing the decks to deal with the economic situation. The speech says:

> "The Government's overriding priority is to ensure the stability of the British economy during the global economic downturn."

That is the basis of the Queen's Speech, and of my own. I was a little distressed to see a vestige of new Labour in the speech, one of whose provisions was a Bill to reform the welfare system

> "to improve incentives for people to move from benefits into sustained employment."

[Mr. Austin Mitchell]

If that is to work, there has to be sustained employment available and jobs for people to move into. My worry is that we will be pressuring people to move into jobs that are not there as unemployment rises.

That is a last vestige of new Labour, but I want to argue today that new Labour is a dead parrot so far as economic management is concerned. New Labour was an approach geared towards the economic management of good times and of steady growth, which we have had. We tend to forget it, but we have had long years of continuous growth that have made everybody in this country better off, improved schools, hospitals, public buildings and the centres of our cities. We should not forget that but we are now in a different situation; we are in a recession, a more difficult situation.

I am speaking today to bury new Labour, not to praise it. It does not deserve the kiss of life that Lord Mandelson has been trying to give it. It was economics for another time and it has been killed, effectively, by the bursting of the bubble; a bubble based largely on increasing house prices, as a result of which everyone got optimistic and borrowed more. People felt able to borrow more and the banks felt able to lend more on the basis of increasing house prices. There is a simple law of economics, which is that if a thing cannot go on for ever, it probably will not, and it did not. The bubble burst and we are now in a new situation, one in which, I must tell the right hon. Member for Wokingham, we are all socialists now; even George Bush. What King Edward VII said at the start of the last century is appropriate now; "We are all socialists."

Only the state has the power and the strength to deal with the situation, to recapitalise the banks and to push them into lending. As the right hon. Member for Wokingham said, they need to lend more to small businesses and individuals, but only the state has the power to give them the money and to push them into doing that. Only the state has the power during a recession to maintain a policy of fair shares. Only the state has the power to protect the individuals hit by the recession, as the Prime Minister announced today we are to do by strengthening the position of people who face repossessions; an important step in these economic difficulties. Only the state has the power to re-regulate in the way that the right hon. Gentleman clearly wanted. I agree that we have to re-regulate, but only the state can do it and counteract the market by those regulations.

This is a new time and a new age in which we need new policies for companies that are over-leveraged and weighed down with debt. The problem now is not inflation, which has been the main problem over the long period of steady growth; it is deflation and lack of demand. That is causing the problems and it is vital to break that downward spiral and to boost demand.

I see here a contrast emerging between what the Government will do and what the Conservatives would do. We do not need to look into the oracle; we can see it in the history of the last Conservative Government, who dealt with two recessions by measures of deflation—cuts, unemployment and high interest rates, reaching 15 per cent. at one time. That is the Tory answer to recession; it is not the answer from the Labour party and it is not the answer that will work. What will work is a policy of boosting purchasing power and consumer demand by a policy of spend, spend, spend. To spend, the Government have to borrow. We must borrow more and we must spend it.

The right hon. Member for Wokingham was a little sarcastic about the cut in VAT. I would join him in that because a better use for the money would be to pump it out into the community to spend rather than cutting VAT. When sales with discounts of 10, 20 and 30 per cent. have become a way of life in the high street, a cut of 2.5 per cent. in VAT makes no difference at all. As a camera fanatic, I shall finish my speech early so that I can get to Jessops to get 10 per cent. off its prices. Unfortunately, I see that it will be closed so my speech can extend to its natural length.

But the money could have been better directed at taking people out of the tax net altogether. We still have to deal with the 1 million or so who have not been compensated yet for the abolition of the 10p rate. Going by the mail I get, half that number appear to live in my constituency. That has to be dealt with. It is more sensible to take people out of tax altogether by raising the allowances and to help people by increasing benefits. Why not double the winter fuel allowance? Fifty pounds on the winter fuel allowance, which is now £250 or £400, for those over 80 is not adequate to deal with the huge rise in fuel bills people are facing this winter. Double it; increase benefits; and increase tax credits for working families. That directs the money straight at the problem of child poverty that we pledged to deal with.

The aim of policy should not be to cut VAT by 2.5 per cent., but to put money not into the pockets of the rich but into the pockets of the less well-off and the people who go out and spend it. We want them to spend and buy; we want consumer demand to increase. The increase in the top rate of tax to 45 per cent. was welcome to me, but it should have been 50 per cent. and I think the community would have accepted that. There is a feeling that people who benefited so richly in the good years should now help to pay their share in the period of difficulty. Increase the top rate of tax next year; not now as we do not increase taxes in a recession. But the bottom 20 per cent. of the population pay about 40 per cent. of their incomes in direct and indirect tax whereas the top 20 per cent. only pay 35 per cent.

Mr. Llwyd: Therefore would not it have been sensible to raise the threshold to take what the hon. Gentleman describes as bottom earners out of income tax? I understand that that would have cost £2 billion, a sixth of what the VAT fiasco has cost.

Mr. Mitchell: Exactly. I was about to propose that and I am grateful to the hon. Gentleman for taking the words out of my mouth and using them more eloquently and articulately than I ever could. That is what we should have done; take people out of tax altogether. We could have taken a large number out of tax by raising the allowances.

Apart from spend, spend, spend, which has to be the economic norm in a recession, the second approach in good old Keynesian fashion is to build, build, build. It is by building that we put people back into work. Was it Keynes who said that if we employed people to dig holes in the road, they would be receiving a wage and that would stimulate the economy? But we can more

easily employ people to build houses, in particular, but also schools and all the other things our communities need.

Housing is a particular problem. Unfortunately, we are obsessed with ownership, and I think that that obsession has led us into having a real problem, because the rate of building of public housing for rent has been far too low. Unless the building of public housing for rent is kept pari passu with private building, there will be two developments: first, a bigger price increase than would occur if there were more public housing available for rent; and, secondly, people pushed into ownership who cannot sustain that. That is why we are now facing a repossessions problem.

We must have a big-scale building programme of public housing for rent. The housing associations will play their part, and we are giving them money, which is very welcome. Housing associations are comparatively slow to build, however. They also have their own financial difficulties at present, and they have difficulty in raising credit in the current tight credit market. Building can best be boosted, therefore, by bringing councils back into building. It is an appalling fact that whereas in all the other big Labour building drives—those of the 1960s and 1970s—the rate of council house building kept up with that of private building, in the last year for which figures are available we built only 300 council houses. There are 2.8 million council houses in the country, and they require renovation and repairs, and their estates need upgrading and developing. We must allocate money to the councils to enable them to build again. It is no use our saying, "We'll wait for the housing revenue account review that is now taking place." That will not be completed until May next year, and it cannot be implemented until May 2010, which is, in my view, a good month for an election. We should put money into the councils now, or stop taking as much out of the HRAs, and then the councils will build. The councils can put builders back to work if they are given the power and the money to build. That is the only way forward if we are to get the housing drive we need to stimulate the economy, and if we are to achieve the target, since demoted to an aspiration, of 3 million houses by 2020.

There are 1.6 million people on council house waiting lists, and that figure is rising. They will have no chance of getting a house unless councils are allowed to build again. This is what we should do: large-scale building of council housing, because we have put too much emphasis on ownership and the ownership streams have not worked—the numbers taking them up have been comparatively small. Affordable housing has turned out to be not very affordable, and shared purchase—part-purchase from housing associations—is not particularly popular either. Why should people take on the burden of doing repairs as well as paying the rent and the purchase price of part-purchase? We should provide the money for such building to take place.

I agree with the right hon. Member for Wokingham that we should have reduced interest rates months ago. The Bank of England has now been more or less coerced into making the 1.5 per cent. reduction of last month, but we should consider the pressure that was required, and the representations it had to endure from so many organisations in industry and business and from all the economic pundits writing in the papers crying out for interest rate reductions. It eventually did cut them. In my view, rates will have to be reduced further, because we need to get them down to the American level to stimulate the economy. That is the best means of making money available, stimulating the banks into lending, and bringing down costs, because interest rates are a cost on everybody. Our country is burdened with debt, and it needs lower interest rates if it is to come through and start spending.

We should think about changing the rubric for the Bank of England. I argued for that at the time of the Treasury privileges inquiry. Our Bank has the rubric of only needing to maintain inflation at about 2 per cent. The Fed has a double-header ruling: to deal with inflation and to maximise employment. That is far more sensible, because it gives greater leeway to reducing interest rates and to matching them to the needs of the economy.

We need the value of the pound to come down. It has been too high for too long, with the result that it has not been profitable to produce in this country. We should make it profitable to do so by means of having a more competitive exchange rate. The value of the pound is coming down. It has now reached about the level it was after the Tory 1992 devaluation, when we left the exchange rate mechanism. In my view, it needs to come down still further, but let us look at what that fall in the value of the pound in 1992 did for growth in this country; it immediately produced growth without the feared inflation. We need that effect again.

A fall in the value of the pound will not only help industry to export, but it will help to adjust the balances in our society, which have been tilted too far in favour of finance and the City of London, which do not produce jobs—although they do produce high incomes and bonuses for the comparatively small number of people who work in those sectors. We should tilt the balance back towards manufacturing. We have to pay our way in the world. The oil contributions are going to fade away, and unless we produce in this country, we cannot pay our way in the world or provide our people with a good standard of living. The fall in the value of the pound is a major step in the direction of rebalancing the economy.

A banking Bill is promised, and we must re-regulate the banking system. I hope the Bill will go some way towards doing that. New duties must be imposed on the banks, and they will be, because the banks have failed us. We need to control their use of derivatives and off-balance sheet accounting, and to require them to register derivatives and special purpose vehicles. Registration implies a charge for the creation of the SPVs, which have been a form of gambling, but it could also ensure that the contracts arrived at are not legal unless the products in question are registered. That would be a convenient method of getting revenue and controlling that situation.

The Government are moving in the right direction on all these issues, and making substantial progress. We need the strong and experienced leadership our Prime Minister is providing, and can provide for us to see this country through. On all these issues, the Conservative party's answers are, however, pathetic. What was announced last week is piggy-banking economics. It is no answer to a recession to put people out of work and to demand cuts in Government spending and less borrowing. We have to borrow to expand the economy. Because of the position taken by the Leader of the Opposition last

[Mr. Austin Mitchell]

week on all these issues, the Conservative party has wrong-footed itself. Clear red water is opening up between the Government and the Opposition, and I and the Government are on the right side in using the power of the state to deal with the recession rather than using the Thatcherite processes that were employed in the recessions of the 1980s and 1990s. It falls to Labour to deal with this situation, and we are taking the right approach.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): My hon. Friend referred to the 1980s and the implementation of monetarist policy. He will recall that in that period £100 billion of oil revenue was spent on unemployment benefit, instead of going into the infrastructure of the country, which would have put us in a better position today.

Mr. Mitchell: My hon. Friend, whose experience in that area goes back a long way, is exactly right. The oil revenues, which the Labour Government of the 1970s had looked forward to as a means of rebuilding, expanding and improving this economy and providing a bonus for the people, as they should have done, were used, in effect, to smash British industry under the guise of modernisation and to break the power of the unions through high unemployment and stringent economic conditions. The revenues were used by the Government to fight their own people. That is what they were doing in the early '80s, and it was a crime against the economy and against the British people. We cannot go back to those methods of dealing with a recession now; we have to move forward. We have to use the methods that the Government are using, and will develop over time, of expansion, growth, Keynesian economic management and re-regulation, so that this situation does not happen again.

6.50 pm

Peter Bottomley (Worthing, West) (Con): On the night that the hon. Member for Great Grimsby (Mr. Mitchell) was elected, Labour lost a mining constituency in the midlands because almost every miner there hated the then Labour Government for the things that they had been doing. From his election to this House to the 1979 election there was industrial unrest, with people fighting the police in the streets; life was not the cosy little life that we are led to believe we have under Labour.

Many in this House think it will be up to the Conservatives, when we come to power, to put right many of the things that have gone wrong under the Labour Governments. Not everything that they have tried to do is wrong, not everything that they have done is wrong and not everything that they propose in this Queen's Speech is wrong, but the idea that on the red side it all goes well and on the blue side it is all wrong is a total misreading of things. Someone examining the condition of people's lives between 1979 and 1997, especially in the five years after 1992, when the years of continuous growth started, could look at the record and say that there was good to be said about both sides and things that each party could have done better.

I want to turn to the pressing problem of what will face our constituents in business and in their personal lives during the next year or so, and perhaps even after that. Even when we start to come out of the recession, many in the churn will lose their jobs and will face insecurity where they thought they had security. I shall not spend my time discussing the changes in the pension arrangements that the former Chancellor, now the Prime Minister, brought into effect, because there are other times to discuss those.

I wish to discuss two examples in the world of business. We have heard a lot of talk about banking, in terms of both the Bill that is to be introduced and the Government's involvement in the banking industry during the past few months. Let us pretend that I am in partnership in a good business where my partner and I work hard, produce a stream of revenue and have been paying back the bank loans for our premises. Let us suppose that we have done those premises up and, by doing so, we have provided building work and helped the economy to move around. Let us suppose that my partner wants to retire and that I made an application to a bank less than a year ago, telling it that buying out my partner would cost a certain sum and asking whether we could negotiate a loan. Let us suppose that the bank said yes in principle, but when I wanted the money six months later, because I plan in advance, the bank just flatly said no. I pursue it, but the bank sends another letter saying that things have changed.

Someone in such a situation was told that

"there has been a dramatic and unforeseeable change in the financial markets and this has changed the Bank's lending criteria. Regrettably we are no longer in a position to consider your request."

If one of the major banks in this country says that it is not prepared to consider a request from someone in a business that has a good future, a good past and a good present, what chances do businesses that are less likely to put forward such a good, bankable case have? The person involved in the case I mention was also told that they could complain to the Financial Ombudsman Service if the bank had not given them satisfaction. No one wants to go to the Financial Ombudsman Service for that; they want to have banking arrangements in this country which mean they do not just get sent a letter.

The person involved in this case wrote to me saying:

"I had a meeting with another bank manager today, who stated that the government is asking banks to lend at last year's volume...how are the Government policing this? I still think that as a small business if I am not helped, who will be? Due to the predicament we are in at present we are doing everything to rein in spending, both as a business and at home."

That is the only other way the money could be found. The letter continued:

"If this is the general case for all small businesses how is that going to help the economy?".

I invite the major banks that wish to consider an application in this instance to let me know, and I shall pass on the details to the people who are really experienced in this area.

I turn to another, larger example. Let us consider a business where there was a management buyout in 2002. Let us suppose that I and my fellow shareholders borrowed £1.4 million and that over the past six years we have not only paid back as we said we would, but we have paid back the loan notes in half the time that we originally agreed. In such a situation, we would not only have been meeting our obligations month by month, but we would have been doing better than that. Let us suppose we face the problem of losing a month's cash

flow because of the Government-imposed and Parliament-imposed regulation and we subsequently decide to expand our premises and take out another loan for that. Let us suppose that we make every single payment on time, be it for the management buyout loan, the regulatory changes loan, the loan notes loan, the moving loan or the computer equipment loan.

Let us suppose that there is no problem, but the bank then changes its approach and for several months this year it stalls and on the day of the news of the banking crisis, the account manager says he is leaving and the credit department says no to a request of ours. Let us suppose that when the business tracks down the replacement, they say that their predecessor never even made a request—presumably, because they had been told by people higher up that there was no point in their doing so—and there was no record of our dealing with him. Let us suppose the business resubmits the request and is messed about for a few more weeks, and that when it subsequently makes contact, a director of the bank tells the business he is sorry for what has gone before but the case is going through the formal complaints procedure again and the request would be expedited. Let us suppose that that was four weeks ago, and when contact was made again very recently the bank said that it had no money as the funding from the Government was conditional upon something that was not happening until the new year.

I know of a business in such a situation, and it told me that

"the account manager contacted us to say that not only was our request...turned down, our secondary request to restructure our existing loans was also rejected and as a sting in the tail our accounts were being passed to their 'intensive care' department."

That has happened to a business that wants to continue expanding. We know what the result will be: the business will have to reconsider the number of staff that it employs and whether to spend money on the refurbishment—a business that is profitable and doing well. That situation has happened several times in my constituency, and that can be multiplied by 630-odd constituencies around the country. Until that sort of thing stops happening, and until banks start saying that they want to take on bankable propositions, the liquidity squeeze will continue, and it will do as much to put people out of work as any major restructuring of the economy.

The hon. Member for Great Grimsby was right to say that many industrial changes have taken place during his time in Parliament. One has been the taking of a lot of infrastructure spending out of the hands of the Government. For example, the privatisation of British Telecom led to a massive investment in the telecoms infrastructure and to competitors coming in. The privatisation of ports led to this country's ports being resuscitated; that was the case not only for the non-public ports, but for the former public ports. The same thing happened to British Rail's hotels, to the British Airports Authority and to British Airways itself. Leaving people free to do their own investment can lead to greater infrastructure spending and the benefits that we want. Deregulation that takes the hand of central Government away can do a lot of good.

This is the sort of speech that the hon. Gentleman would say did not have a theme, and he would be right. Let me turn to one little bit of good that we can do immediately in this Chamber. We could consider the welfare of the officials—the civil servants—who are stuck for hours in the officials' Box. I do not think this has been considered by Members, because we have not tried sitting there for four hours during a debate with no knee room and no glass of water—they have nothing at all. The House authorities should consider whether they can do something to help those in the Boxes. We should consider whether they could have some more knee room and whether they could have a glass of water to keep them going while they listen to us.

I turn from that subject to the delicate issues relating to what has been referred to by somebody as the case of the Ashford One. I am talking about what happened when the police made a request to come to a Member's office. My view is that the House made a mistake—I think that the other place may make the same mistake—of implementing the Tebbit report, which led to the Serjeant at Arms being brigaded not under the Clerk as before, but under the No. 2 Clerk. Most of the time, to most of us, the Serjeant at Arms was independent, having been appointed by the Queen. The new arrangement provides a much bigger gap between the exercise of authority and judgment.

If I may refer to something that I have read in the papers, Black Rod was reported to have had a stand-off with No. 10 about the Queen Mother's funeral arrangements. I would like to think that Black Rod and the Serjeant at Arms—whoever holds those posts and at whatever grade—have the authority to be able to say, "No, that isn't right" or "You should think about that again." That requires playing a role rather greater than that of facilities manager. The role of the Serjeant at Arms is important for this House, as is that of Black Rod in the other place.

I do not say things in private that I would not say in public, and I have not said in either a word against Mr. Speaker during the years that he has been in the Chair. None of us is capable of getting everything right, but he is an honourable person who does a good job, and we can be proud of the way he does it. It may be different from how others might do it, but we should not focus our attention on the occupant of the Chair. Instead, we should have a system whereby everyone presumes—unless there is evidence of a really serious crime or a court order that cannot be resisted—that people in Parliament have a privilege on behalf of the public and that matters to the public. It does not matter to me a great deal if I am arrested, but it matters a great deal that everybody in my constituency has confidence that they can come to me—be they a serving police officer, a civil servant, working in a bank or the health service, or unemployed—and say, "I think you and others should know about this. What should be done about it?" That is not being an alternative news service to the Government or the health authority; it is about people having the confidence to come to me, my predecessor or my successor, whoever they may be. It is about how this country works. It is not formal British constitutional theory; it is what should happen, and people should know that it happens.

Someone asked me what I do in Parliament, and I said that I spend quite a lot of time trying to anticipate problems and giving people warnings about them. Two years ago, we revised the law on the health service and changed the system of public involvement in health. Community health councils had been abolished, and

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the system has been changed four or five times by the present Government. It is still not right, and I think it would have been better if we had kept CHCs, as has happened in Scotland and Wales. There are no particular problems there, and there would be none here.

Another health service issue is the training of doctors and what this House allowed the Government to get away with in that sphere. Many doctors and some Members, including me, tried to tell Ministers that modernising medical careers, and the computerised application service, would have perverse results. Ministers said that everything would be all right, but we ended up with a system in which a clinical PhD in a relevant subject was worth less than 150 words written on leadership—which was probably downloaded from a website in any case. It was a disaster and remedial action was required, but we cannot yet be sure whether that has worked reasonably well.

Several people warned of major problems with the NHS IT system, although some can be put right. In Worthing, our hospital was forced to have a system that meant that, up until two or three weeks ago, relatively simple things could not be done. A consultant could not, for example, transfer a patient to another consultant without wiping all the data and having to re-enter them. Lists of patients could not be printed for shift hand-overs three times a day by condition, by doctor or by bed—three simple requirements. It took a week's programming, and it took a year to get it agreed. Once it was agreed, it was at least done fast.

We need a more reactive system. When people provide warnings, they should be heeded. When they suggest ways to help, they should be taken up fast. Our system should work through the interaction of the experience of MPs, Ministers, civil servants, administrators, computer experts and the like. We could reduce avoidable waste and increase well-being by making systems work. Legislation can help, but it is not always the answer.

My wife would call my next point an example of my "me, lovely me" approach, but I recall starting a programme to cut road deaths, which has worked very well—although not well enough. They are down from 5,600 a year to under 3,000. Welcome progress has been made, including during the past 11 years. However, we could save three times that number a year through abdominal aortic aneurysm screening. If men—it is a male problem—were screened at 60, we would know who had a problem and who would be clear until they reached 75. That could save 7,000 unnecessary deaths a year. Ministers rightly reacted when they saw a demonstration from the Vascular Society, and the faster progress is made, the better. We should have such screening within a year for everyone who qualifies and is willing to take it up.

The Queen's Speech should have included the revision of freedom of information and data protection. If I were a diabetes doctor working in a hospital and seconded to a community education programme, funded by the primary care trust and subject to the NHS confidentiality agreement, I should be able to invite patients to it whom I thought would benefit—perhaps from a particular ethnic group—without being disciplined, sacked or referred to the General Medical Council for taking a list of names, addresses and telephone numbers and asking my secretary to ring those patients and invite them. That is the kind of disproportionality that gives data protection a bad name. I ask the health service, Ministers and all Departments, if they find examples of such disproportionate action, to send them to the Information Commissioner. We need more guidance on this, or a change in the law that would give people protection when they are trying to do something clearly in the public good but have made a technical slip. Such people should not be exposed to the worst kind of crisis.

My final point relates to the marine and coastal access Bill. We established a basic right to roam through recent legislation but, because of a court decision perhaps a hundred years ago, we do not have a right to use rivers. We have a right to use inland waterways and canals, but I cannot take my canoe on some rivers without getting the agreement of every person with an interest in the land on either side of the bank from the beginning to the end of my journey. It is not an issue of how I gain access to the water, but of passing down the river. It is as if I could take my horse on to a bridleway only with the permission of the people who owned the land on either side of it. We would regard that as ludicrous, although my horse might disturb birds. We accept people using bridleways and footpaths, and we are likely to accept coastal access rights. We should therefore introduce the same rights to the use of rivers in England as exist in Scotland.

I went to Scotland with the British Canoe Union and the Scottish Canoe Association and spoke about negotiating with landowners to obtain access to the water. Most canoeists are careful about spawning grounds in rivers and about anglers' interests. We could incorporate access rights in the Bill, and if there are anglers who think that that would lead to serious problems they should talk to Scottish anglers about their experiences. We need to get rid of that prohibition, which is relatively recent, and give people the rights that they should have.

7.9 pm

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): I agree with the comments by the hon. Member for Worthing, West (Peter Bottomley) about Mr. Speaker, although on the economy I am nearer to the position of my hon. Friend the Member for Great Grimsby (Mr. Mitchell) than that of the hon. Gentleman. As we have moved from a Milton Friedman approach to Keynesianism, there are new opportunities. As we seek to build on the stabilisation of the financial sector, we need more investment. In making that investment, we need to think carefully about the technology and to relate it to larger projects. I am talking about carbon capture and storage. It is a pity that the Government have not moved as quickly as they could have done on carbon capture and storage.

As my hon. Friend the Under-Secretary of State for Environment, Food and Rural Affairs, who is sitting on the Front Bench, will know, the Government have already selected four projects that might become eligible for Government funding, but we will not choose the one company that we will fund until next autumn. That is much too late, because we have allowed others to get in front of us. The Chinese are already working on carbon capture and storage, as are the Americans and some Europeans. Our failure to move speedily—I believe that, had we had the will, we could have had a small carbon capture and storage unit running in 2003—means

that we have lost the opportunity for exports. Nevertheless, we cannot ignore the technology, because we require it for the future. We need to combine it with a grand scheme, and that is why I want the Under-Secretary to ask his colleague the Energy and Climate Change Minister to consider a project proposed by Yorkshire Forward.

Yorkshire Forward has a plan to develop carbon capture and storage on a grand scale. The project would capture all the CO_2 from the power stations in the region and from large industry and it would then be pumped out in a series of pipes to be stored in the oil wells in the North sea, which are the nearest oil wells to the Yorkshire coast. I understand that Yorkshire Forward has been refused Government aid, yet the project would create some 50,000 jobs. It would stimulate the steel industry and the engineering industry in Yorkshire, and would give great opportunities to new apprentices, offering the kind of apprenticeships that we want. In developing that technology and relating it to the project proposed by Yorkshire Forward, we could stimulate employment in the Yorkshire region. I hope that the Under-Secretary will urge the Energy and Climate Change Minister to consider the Yorkshire Forward project.

A little earlier, we heard a good speech, which I did not agree with, from the right hon. Member for Wokingham (Mr. Redwood). I thought that it was a passionate speech, even though I did not agree with the economic analysis. Nevertheless, what he had to say about small and medium-sized industries was correct. On Friday, I visited such an enterprise in my constituency. It was a print works—Print City, which employs some 50 workers. I was told by the management that there are difficulties with the banks, particularly in relation to overdrafts, but the company basically works for the banks. Most of its printing is for the banks; for example, it prints the forms that they use. The managers told me that the order book goes well into the future. Business is coming in from the banks, and the only thing not coming in is the credit from the banks to facilitate the company.

Ensuring that the credit is available from the banks for small and medium-sized enterprises is important, and the Government must take up that issue. If they do not, small and medium-sized enterprises will close, and we have already been given examples from some constituencies. The hon. Member for Worthing, West referred to the closure of some factories in his constituency. We cannot afford that. Our economy has moved towards small and medium-sized enterprises; 60 per cent. of gross domestic product comes from such enterprises. It is essential, therefore, that we get an understanding from the banks that the credit must flow towards industry.

Let me move to the issue of protecting the public. I refer my hon. Friend the Minister to recycling projects around the country. As we move towards greater recycling, we find that there is no process that has really been thought out. In my constituency, and in a number of constituencies represented by hon. Members from all parties, we see windrow composting, where green waste is set out on a concrete base in lines to rot in the open. It is turned from time to time, and as it is turned organic dusts—or bioaerosols—tend to be released. Those bioaerosols can be quite dangerous to communities that are near at hand.

The Environment Agency sets a general rule that windrow composting should happen no less than 250 m from the nearest residential dwellings. Research that I have seen and that I have had carried out suggests that the distance between the composting process and the nearest dwelling needs to be far greater. In fact, the most up-to-date study that has been done, which was produced at Giessen university in Germany, suggests that the composting process should be at least 500 m from the nearest dwellings.

That problem is not the only issue to do with composting. We need to move composting to a vessel-type system rather than leaving it in the open, where bioaerosols present a problem to nearby communities. We need DEFRA to ensure that in protecting the environment and the public, particularly in rural communities, it considers whether we should use a completely different process. I refer the Minister to a process that is considered safe: anaerobic digestion, which treats biodegradable organic waste in an enclosed vessel using bacteria in the absence of oxygen. The process breaks down the waste, generating usable products that include biogas, which can be burnt to produce energy, fibre for soil conditioning and a liquor that can be used in a liquid fertiliser. We would be recycling in a meaningful and productive way.

Some of the windrow composting around the country to which I have been alerted produce a nauseating smell that, in some places, has caused the Environment Agency to intervene to close down the scheme. There is a danger that unless we grasp the issue, in two or three years' time we could engulf the country in a nauseating smell that comes from recycling. We must grasp the nettle now and we must ask the Environment Agency to work with the Health and Safety Executive to decide on a process—I suggest the anaerobic digestion process—that will ensure public safety.

The Gracious Speech contains some very helpful proposals. One of them is the justice Bill, whose most important changes for my constituents will be the improvements to the coroner service and the process of death certification. The British Lung Foundation produced a report in 2007 entitled "An Unnatural Death", which highlighted the problem that deaths as a result of mesothelioma cancer caused by asbestos are referred to as unnatural.

When a person dies in that way, there has to be a post-mortem investigation and a coroner's inquiry. Often, that means that uniformed police in marked cars turn up at the home of an elderly lady because the gentleman who also lived there has passed away as a result of mesothelioma, and such visits can cause great but unnecessary concern. However, although coroners in England, Wales and Northern Ireland respond to mesothelioma cases and unnatural deaths in the way that I have described, the system in Scotland is different. There, people whose medical records show that they suffered from mesothelioma cancer are not considered to have died unnatural deaths. The fact that their deaths are considered to be natural means that the procedures that have to be followed are different from those in England, Wales and Northern Ireland.

In a previous life, I worked as deputy head of compensation for the National Union of Mineworkers. The process that applied then was very similar to the one that we have now. When a person died whose disablement assessment showed that more than 50 per cent. of his disability was caused by pneumoconiosis, it was accepted that the pneumoconiosis would have contributed to his death. That meant that the usual

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procedure would have to be followed: a policeman would visit the family and a short investigation would take place, after which there would be a post mortem and the coroner's inquiry.

However, the union had a relationship with the coroner's officer, who would telephone me when his office was alerted to a death through pneumoconiosis. He would tell me where the death had occurred and when the visit would take place so that I could arrange for the family to be told that they were going to be visited. If the people being visited were elderly parents, I would arrange for younger family members to be present. That helped enormously.

The measures suggested by the BLF need to be implemented in the justice Bill. In that way, we could ensure that we have a coroner's procedure that follows best practice and is the same, without variation, right across the country—in England, Wales, Northern Ireland and Scotland.

Finally, there is an important omission from the Gracious Speech, which proposes no legislation to overturn the Law Lords' decision of 17 October 2007 on pleural plaques. I know that the Secretary of State for Justice is conducting a public consultation exercise on pleural plaques, and that he will make an announcement when that is complete, but the Gracious Speech should have said that the Government were prepared to bring forward legislation to overturn the Law Lords' decision.

It has been suggested that when the public consultation exercise ends, we might get a proposal for a no-fault liability scheme. I believe that such a scheme would be detrimental because, before the Law Lords' decision of 17 October 2007, a person who went to court and won compensation for the development of pleural plaques as a result of exposure to asbestos would also receive notification that the liability issue had been decided. In other words, the question of liability was decided when the court made a decision about compensation.

If a no-fault liability scheme is introduced and the Law Lords' decision is not overturned, the question of liability would not be decided for the men and women who receive compensation. Consequently, they would be able to start to deal with the question of liability only if their condition worsened into mesothelioma cancer. That might be 20 or 25 years after the original compensation claim was upheld, with the result that the relevant documentation needed to substantiate liability might no longer be available.

That is why I believe that we need legislation to overturn the Law Lords' decision. I hope that the Minister who is listening to this debate will make the Department of Justice and the Secretary of State aware that we need legislation to overturn the Law Lords' decision, rather than a no-fault compensation scheme.

7.27 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): It is always a pleasure to follow the hon. Member for Barnsley, West and Penistone (Mr. Clapham) in these debates. I do not want to appear patronising in the least, but he always makes a thoughtful and useful contribution. He is an expert in the matters that he raises, but he is also practical in what he says, and it is a great pleasure to listen to him.

I do not propose to dwell overmuch on the so-called "Ashford One" matter, other than to say that three or four years ago I was visited by the good men and true of the Met's SO11 unit. I was not arrested, nor interviewed under caution, but the visit happened because the police alleged that I had documents about the Iraq war. I did not allow them to search my premises or interview my staff, and I said that I had nothing to tell them. The officers went away again, and that was it.

The difference this time is quite marked: we talk about sledgehammers and nuts, but my goodness me—for all I know, the document about the Iraq war that the police said that I had could have been damaging to security if it had emerged into the public domain but, although this latest incident does not seem to have anything to do with security, the police still acted in the way that they did.

The Met have been around for a while. Today, I was running along to make a small, amateur contribution to the BBC's "World at One" programme, and I was confronted by a police officer as I tried to cross from Parliament street to the House of Commons. He said, "I'm afraid you can't cross this way." When I asked why, he said that a cordon sanitaire had been set up. I showed him my pass and said, "I'm sorry, I've got six minutes to get to Millbank to do a piece on the "World at One"," to which he replied, "I'm sorry, you can't."

I pointed to a lady and a young woman with a pram and asked the officer why they were able to walk through the restricted area. He said, "I'm sorry, sir, you can't." Next, a Minister appeared and the policeman tried to stop him too. I was so frustrated that, in the end, I made my feelings clear and the officer said, "I'm sorry, sir, but I'm going to have to take your name." At that, I gave him my card. What I am trying to say is that, if I am arrested tomorrow morning, I hope that someone will pay my bail, because things have not been so good in Wales recently.

I do not know whether there is a souring of relationships or whatever. I am not anti-police. My late father was a police officer. My brother and my cousin are police officers. Everyone is police officer, apart from me. But there seems to be something going on, and I hope that I am wrong in saying that.

The Gracious Speech has some good things about it, and hon. Members would expect me to say that there are some perhaps not quite so good things as well. I intervened on the Prime Minister about the credit guarantee issue. The response was that about £1 billion has been put in, exactly for that purpose. Last weekend, I visited a company in my constituency, and its representatives told me that one of the biggest problems that they now have is that the people who normally guarantee their credit are not prepared to do so. They named two large retailers that they supply. I will not name them in the Chamber, because I do not want to create a panic, but I was really panicked when I heard who they were.

What we need is an accessible, easy system, underwritten by the Government, as is now happening in France, to ensure that the economy goes round and that companies can deliver their goods. The company I visited is in a

bad position because 18 per cent. of its turnover is with Woolworths. If that is not bad enough, it has delivered £585,000-worth of goods recently to Woolworths, and because those goods have been delivered, the proprietary interest has moved to Woolworths and the company is getting not a dime for all that work. It is an old family concern in my constituency. The managing directors—two brothers—are friends of mine. I am deeply concerned about them.

We are talking about the Queen's Speech and financial stability. I hope that, when we get to look at more detailed Bills, we will consider how it can be that that small company, having produced £585,000-worth of goods and delivered them to F. W. Woolworth, is now told by the administrator, "Sorry, lads, you not getting a dime for it." At the same time, the administrator is doing his best to sell off the goods. He will undoubtedly sell them between now and Christmas, if not well before then.

I am a lawyer; I do not use the phrase "legalised theft", because it does not make sense, but it does make one think, does it not? As soon as those goods are delivered, any hope of being paid seems to go completely out of the window. The only saving grace is that other goods are on their way, and the administrator has said that a discounted sum will be paid for them. That is one good thing. I am mindful of the fact that we have only just had an insolvency Bill, but do we need to think again about looking at the insolvency legislation to provide for that kind of situation, so that the administrator could pay perhaps not the whole £585,000 but a good chunk of that money to keep that company going and continuing to trade.

I understand that there is a plan for Woolworths to trade until Christmas. I am just making a point about whether we need to look at that situation. I am not sure whether the American model of protection under chapter 11 or some sort of abridged version of it might help. I am no expert in that, but I hope that others who are more expert in the field who may read the report of the debate might be able to assist in due course.

I hoped that the abolition of stamp duty would have been included in the Queen's Speech. That would have been one way to kick-start the economy. Stamp duty is a pernicious tax, and it has become more and more pernicious because it has not been uprated in the right manner, year on year, or Budget on Budget. Today, the Prime Minister mentioned the protection for those who face repossession, and I welcome that part of his speech very much indeed.

Her Majesty the Queen referred in the Gracious Speech to her Government continuing to work closely with devolved Administrations. I am pleased to say that, on 8 September of this year, Ms Jocelyn Davies—the Plaid Cymru Housing Minister in Cardiff—announced a mortgage rescue plan. So we are ahead of the game on this one, albeit in a less dramatic fashion perhaps, not seeking to change the world, but we have taken steps in that regard before now. It is almost Christmas, and we have got this welcome announcement today.

Another thing that I should have liked to see is some form of reining in of the energy companies. It is all very easy to say, "Let's have a windfall tax." It is almost a totem that we have got to say, "Windfall tax." I do not really disagree with that, but I will not propose it this evening. However, I should like greater powers to be given to Ofgem, so that it intervenes and is proactive, not reactive. I believe that we should reintroduce price controls on gas and electricity. Hon. Members will know of course that we had them until 2002, but in the guise of light-touch regulation of the market that new Labour has apparently embraced, we allow Ofgem to have a brief—

Mr. Clapham: It has gone now.

Mr. Llwyd: The hon. Gentleman is quite right. It went earlier this week, so perhaps we can therefore see a swift reversal in the way that we deal with that regulator. Let us see. However, with such an important regulator, such a light-touch approach is not what is required.

We also need to consider why people who use prepayment meters are being over-charged. They are the most vulnerable people in society, and we are unable to do anything about them. I hope that, somewhere during the next round of legislative proposals, we can really get to grips with that. Can we not abolish VAT on electricity and gas, at least for the time being—a simple point—bearing in mind that an attempt has been made, via £12.5 billion-worth of VAT, to spark the retail market? As the hon. Member for Great Grimsby (Mr. Mitchell) said, that is not going to work. It has not a chance of working when stores are discounting by 20 or 30 per cent. already. I would have thought that it would be far more effective if we were to alleviate the problem suffered by those people who are unable to afford to heat and light their premises. That must be our No. 1 priority in all this.

Frankly, to be fair, the Government had to bail out the banks. I cannot see that anything would have remained if they had not done so; we would all have imploded if something had not been done. It might have been done earlier—we can argue about that—but it has been done; it has cost a lot of money; and we will have to pay for it at some future date. All that I understand, but I also understand that something had to be done. However, I believe that now is the time that we should look again at the way in which the banks work, bearing in mind that some of them are part-nationalised and others have been nationalised. We should tell them, "Look. We expect you to start lending to one another," in order to deal with the examples that we heard from the hon. Member for Worthing, West (Peter Bottomley) about firms and companies with good trading histories being denied assistance. That is absolutely appalling. Whether that is to do with the gearing of their assets to lending, as the right hon. Member for Wokingham (Mr. Redwood) said, or whatever the cause, we are all aware, as Members of Parliament, of many similar examples.

I know of an example where a chap has an overdraft of about £50,000. He has never gone above £15,000, but the bank has said that it can still offer him £50,000, but it will charge him as though he had taken out £50,000. That is absolutely wrong. It is usury, to use a Biblical word. It is absolutely foul. We all know of such examples. We talk about trying to get the economy back on its feet, but the ability to borrow is fundamental. I know that the hon. Member for Sevenoaks (Mr. Fallon), who is a member of the Treasury Committee, and others know more about that issue than I do, but even I have noticed the problems. There should be some measure in the Gracious

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Speech—a responsible lending Bill—to get to grips with that. I do not know whether we need regulation or a Bill.

We are now seeing an increase in door-to-door lenders and lending at massive interest rates. Only last week, during a debate, someone mentioned that an interest rate of 350 per cent. was being charged. I believe that charging such rates should be a criminal offence. It can be dealt with in the civil context. One can take the matter to a county court. If the interest rate is unconscionable, one has to prove it before a judge. Lawyers such as me can do that, but an individual who cannot afford a lawyer and will not get legal aid is expected to go along and argue that the rate that they agreed is unconscionable. That legal tool cannot be reasonably used. The only way forward is to criminalise such activities. I know that some people rely on that kind of credit, but heaven's above—to make someone pay 350 per cent. interest is appalling.

I give another reason why we are in a pickle at the moment. I came across it when I spoke with an ex-regional director of one of the four big banks who told me that the various bank managers had targets that they had to meet on the number of mortgages that they gave out each month, or whatever it might be. He told me that, if I went to them saying that I would like a mortgage of, whatever the amount might be, and my accounts were not okay, nine out of 10 of those managers would say to me, "Go back, inflate your figures by 20 per cent., come back next week and I will give you the mortgage." In fine weather, that is lovely. The same goes for 120 per cent. mortgages on premises. But when it starts to rain, the roof leaks big time, to coin a phrase. That is such a common practice that that ex-regional director even referred to them as "liar loans". The bank manager ticked the box, the customer was happy during fine weather and everyone seemed to be happy about that rosy boom, or whatever we might call it. That is part of what has been going on and someone at some point will have to account for it.

On the crime and policing issue, I do not see the need for elected police authorities, because there is a danger of politicising the police—if we have not reached that point already, given what was said earlier—and making that happen Britain-wide, rather than Met-wide. If the vast majority of those on police authorities are elected councillors, there is democratic accountability and transparency already, so I do not necessarily think that directly elected police authorities will take us much further.

I appreciate the continued reference to eradicating child poverty by 2020. I am pleased that that target is in the Gracious Speech. I am also pleased that there will be a Bill to fight discrimination and to bring equality to the workplace. That is very good indeed.

On training and apprenticeships, which I have been banging on about for years, let us see the detail, but I am sure that we can all say that that will be a good thing if it is properly done. One of the problems that we have had of late is the target to have 50 per cent. of young people at university while a good percentage of those young people have no commensurate jobs to go to. I know that it is a difficult political issue to discuss. Wherever anyone mentions it, people say, "Well, you went to university and you want to drag the old ladder up and to hell with everyone else." That is not the point. Is it wise to tempt youngsters into obtaining a degree that might not be all that useful in the workplace and then expect them to carry a £30,000 or £20,000 burden? They may end up stacking shelves in Tesco.

It would be much better if we fostered the old idea again in our schools that vocational work is as good any day as work that one might obtain after going to university. Often, it pays better—think of plumbers and electricians, and good luck to them. We need to consider that option. However, we must have a properly structured apprenticeship scheme, so that people come out fully qualified and we do not have a six or nine-month affair that gives them one piece of paper that needs to be added to later, but which cannot happen because they cannot access further training. I am sure that all those points can be dealt with in due course.

With the Gracious Speech, the old curate's egg comes in: there are some good parts and there are some not so good. I am slightly concerned about the reference to people moving from benefits. I hope that there will be greater support and choice for those people and that they may exercise some control. I also hope that they will be offered incentives; if there is to be a carrot-and-stick approach, I hope that the emphasis will be on the carrot, and not necessarily on the stick.

Parts of the Gracious Speech are very good, parts of it are not so good. I give a broad welcome to several parts of the speech, and I look forward to seeing the detail of the Bills as they come through. It is a short Gracious Speech and it has to be said that there are some rehashed statements within it—things that we have heard announced before. That said, it contains some useful measures as well. We should all work together, especially on the economic front. As the right hon. Member for Wokingham said, at a time when there is a crisis—let us not beat about the bush, as it is a crisis—it behoves us to work together. The monopoly of wisdom is not always on the Government side of the Chamber.

7.47 pm

Mr. Michael Fallon (Sevenoaks) (Con): I remind the House of the interests recorded in the Register.

I join the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), the leader of the Welsh Nationalists, in welcoming a large chunk of the Queen's Speech. As my right hon. Friend the Leader of the Opposition said earlier, a number of its proposals—for an independent exam regulator, stricter border controls, welfare reform, a proper constitution for the NHS—were Conservative proposals. It is good to see them in the Queen's Speech and I am sure that my right hon. and hon. Friends on the Front Bench will support them in due course.

Other proposals in the Queen's Speech seem rather peripheral—for example, the proposal to crack down on lap-dancing clubs. Hundreds of thousands of our constituents may be put out of work in the next few months or lose their homes, so it seems rather odd suddenly to concentrate on lap-dancing clubs.

The most revealing thing that I read about the Queen's Speech was the leak last weekend—another leak—from the Prime Minister that he was revising the entire speech to make it more recession friendly. That was revealing.

It is his mistake that he did not prepare us earlier. It is a bit late now suddenly to start making everything recession friendly.

For example, 16 months after the collapse of Northern Rock, we still do not have a proper system of depositor protection for our constituents who have bank accounts. We do not have the reserve powers that the Governor of the Bank of England has said for months that he needs. They are in the Bill, which is winding its way slowly through Parliament, but 16 months have elapsed since the crisis and, time and again, the Government have been caught behind the curve, moving too slowly, making mistakes. Much more needs to be done, as several hon. Members, including my hon. Friend the Member for Worthing, West (Peter Bottomley), have pointed out. We are seeing a dramatic shrinkage in credit across our businesses—small and large, including shops. A lot more needs to be done. I claim no prescience for my warning when I spoke on the banking package:

"I fear that some of the measures taken by the Government last Wednesday and yesterday may not go far enough. The package is necessary, but it may not yet be sufficient."—[*Official Report*, 14 October 2008; Vol. 480, c. 731.]

My right hon. Friend the Member for Witney (Mr. Cameron) has put forward a sensible proposal on credit insurance, and that and other measures are certainly needed now. We need to re-examine the rules on capital adequacy and consider whether the Financial Services Authority is applying the rules evenly across the banking sector. We also need to consider other ways of improving liquidity throughout the system. This may not be a popular suggestion, but I suspect that sooner or later the Government must address some of the toxicity within the system—the non-performing loans that are undermining confidence between the banks and that are, in the end, making it more difficult for banks to trust each other and return to the levels of lending that we all want to see.

I want to make three points about the Queen's Speech. My first point directly relates to the earlier comments by the hon. Member for Middlesbrough (Sir Stuart Bell) on how to address the banking decisions that will be taken. We are in a new era of state banking—we own or part-own five of our 10 major banks—and we need some rules. A body called UK Financial Investments has been set up, and the Queen's Speech should have included a legislative framework for it. If we leave such decisions entirely to ministerial discretion, credit will be rationed by lobbying. There is nothing wrong with lobbying, and hon. Members fight for their constituency interests, but it concerns me that those who shout loudest and who get closest to Lord Mandelson will get the finance that they need, whereas small businesses, such as shops and tiny family firms, that do not have the clout and regional power of, for example, the car industry or the aviation industry will lose out. It is always tempting in this House to focus on a factory or firm that employs 500 people, which is a huge number of people suddenly to be thrown on to the scrapheap, while perhaps neglecting 50 businesses that all employ 10 people, that do not get such attention and that may shut their doors in silence.

UKFI will be with us for years. It is very powerful—it owns or part-owns at least five of our 10 banks—and it is already preparing to intervene in a range of matters, such as remuneration, the appointment of directors and levels of lending. We need to be sure that UKFI is put on to a proper basis at arm's length from Ministers and that it is accountable to this House. The chorus of disapproval about bank bonuses and the frustration that we all share about the shrinkage of credit should not bind us to the dangers inherent in state-directed lending. I am looking for reassurance—we want lending to flow again, but we also want it to be as commercial as possible—and therefore think that the opportunity should have been taken in the Queen's Speech to put UKFI on to a properly accountable basis.

Secondly, the Queen's Speech pays no attention to the growing disparity between pensions in the public sector and those available in the private sector. The collapse of stock market values is widening the gap between the quarter of the work force who work in the public sector, who will retire with an average pension of around 21 per cent. of final salary, compared with the remaining three quarters of the work force out there in the private sector, who will retire with an average pension of only 7 per cent. of final salary and who, through their taxes, must meet the cost of funding public sector pensions.

Martin Horwood (Cheltenham) (LD): Does the hon. Gentleman include MPs' pension arrangements in that consideration?

Mr. Fallon: Yes—I was about to come to that point.

The problem is not only the lack of equity, but that the gap between the two kinds of scheme is growing, which is a moral issue that must be addressed. Of course, some measures need to be introduced on private pensions. I have no difficulty with introducing an element of compulsion as far as the second state pension is concerned, but we need to tackle the public sector schemes, too. If we accept, as my right hon. Friend the Leader of the Opposition accepts, that our own scheme, for example, should be closed to new entrants, we are recognising that something is wrong with our current system.

We need to tackle the various inequalities. The issue concerns not only the disparity between final salary retirements, but other differences. Those in the public sector can largely still retire and take their pensions at 60, whereas others must soldier on for much longer. In a previous incarnation, the Health Secretary said this on 16 October 2005:

"For us to say to the private sector you have to work longer and save more money, and to the public sector you stick with your retirement age is impossible."

It seems to be impossible, because the Government have not addressed that particular disparity.

To refer directly to the intervention by the hon. Member for Cheltenham (Martin Horwood), it is not possible for us to persuade nurses, firemen, teachers or police officers of the need for change unless we are prepared to address our own particular scheme. Under our scheme, if hon. Members put in a decent number of years in this House, they retire not on 21 per cent. of their final salaries but on half their final salaries. It is even possible for Members to retire on two thirds of their final salaries on a contribution of either 6 or 10 per cent. That must be addressed sooner or later, and I suggest that that contribution will probably have to be raised. We certainly need more debate and more transparency about the cost in the public sector. The

[Mr. Fallon]

private sector must comply with FRS 17, whereas the public sector still hides behind cash accounting, so the real annual cost and future liabilities are hidden off the public balance sheet.

Finally, the Queen's Speech included no measures to address the growing imbalance between Government and central institutions and what is happening locally. The Queen's Speech includes a curious pledge

"to create greater opportunities for community and individual involvement in local decision-making."

I have no idea what that means. Surely we should be creating greater opportunities for local decision making by our elected local councillors.

Time and time again in dealing with constituency issues, I have been told that something cannot be done because of national criteria, national guidance, national rules and regulations or national standards that cut across decision making by elected councillors, and I shall provide three brief examples to illustrate that point. First, a recent parking review in Sevenoaks and Swanley resulted in our being told that every parking bay must have its own separate notice on its own separate post, irrespective of the characteristics of that road or avenue.

Secondly, on licensing, the secretary of the Underriver village association has written to me complaining about not only the cost—£21 a time—of obtaining a temporary events notice for the village hall, but the mechanics of going through the process, which do not allow for local common sense. She can fill in the application online, but she cannot apply online, which means that she has to print 24 separate pages of A4. One can avoid that process by obtaining an annual licence, but that involves 33 pages of forms and notes. Why is that matter not simply left to the common sense of local officials?

Thirdly, like any housing association, the major housing association in my area, West Kent housing association, sets out its various points policies—the priority that it accords in housing people on its waiting list. However, it must also follow national priorities so far as homelessness is concerned and various other criteria laid down centrally by the Government. That discriminates against, for example, the need to give higher priority to those who are actually born and bred in the particular town or village rather than those who have come into it.

In all three cases, there is a strong argument for allowing councils more discretion—indeed, for encouraging different practices to ensure more competition by emulation, which in some more federal systems is a huge source of renewal in public policy. I would like there to be a Bill for presumption in favour of the local, so that local councils could decide such things for themselves whenever possible.

David Taylor: The hon. Gentleman's points are reasoned and reasonable. However, surely he acknowledges that the United Kingdom is more than an archipelago of 300 or 400 district, borough or city councils; he was talking about housing associations, but the same point applies to the 300 or 400 local authorities with housing responsibilities. There has to be some mechanism for addressing county, regional and national priorities, whether for the homeless or some other section of the population. The bottom-up approach that he suggests would never address such issues.

Mr. Fallon: The hon. Gentleman's point of view is perfectly reasonable, but I do not agree. We are nowhere near being, so to speak, an archipelago of 300—or whatever the number is—different islands. We have a highly centralised system that frustrates our elected councillors; the decisions that they make are simply contravened by national legislation, and they cannot exercise the power entrusted to them. I think that the balance has gone too far the other way.

Others wish to speak, so I will conclude. Some of the measures in the Queen's Speech are welcome. Some will improve the security of our country. However, an awful lot of them do not tackle the economic crisis that we face. They give us no confidence that our homeowners and small businesses will get through this recession unscathed. They will not help people through the recession or provide the reformed, locally accountable services that they deserve. That task will fall to the next Conservative Government.

8.2 pm

Mr. David Amess (Southend, West) (Con): The background to this year's Gracious Speech is different from that of last year's; it is as if we live in a different country and a different world. Earlier today, I spent time with a former great parliamentarian, Sir Albert McQuarrie, who is now 90, and his wife Lady McQuarrie. We were discussing the state of the British economy. He felt that the British people had not realised how serious the situation is at the moment.

I wish that the hon. Member for Barnsley, West and Penistone (Mr. Clapham) were still in his place. During his interesting speech, he told us of the danger of a nauseating smell that could be consuming the country. He is right—it is the smell of this rotten Government. They are falling apart in front of us. They have not got a clue how to deal with the current situation, and the Gracious Speech does not address its seriousness.

I want to draw the House's attention to a few points in the Gracious Speech. It opened by telling us that the

"Government's overriding priority is to ensure the stability of the British economy during the global economic downturn."

It went on to say that the

"Government is committed to helping families and businesses through difficult times. The strength of the financial sector is vital to the future vibrancy of the economy. Therefore, legislation will continue to be taken forward to ensure fairer and more secure protection for bank depositors and to improve the resilience of the financial sector."

What we have seen from the Government so far will simply not do the trick. My right hon. Friend the Leader of the Opposition was in splendid form today. As was mentioned earlier, when a Labour Member intervened on him and asked for five points, he was immediately able to list them. The Prime Minister was Chancellor for 10 years and got us into this mess. The British people are not going to wear any of the nonsense about this being a world situation that is really all the fault of the United States of America. As my right hon. Friend said, if Labour thinks that the British people are silly, it is in for a rude awakening at the next election.

In 1997, when he was Chancellor of the Exchequer, the Prime Minister was responsible for the system of regulation that has failed at its first hurdle. It was he who removed the power of the Bank of England to regulate the amount of debt in the economy and its responsibility for regulating banks. In place of that power, the Prime Minister set up a new, tripartite system under which no one was in charge. As a rather famous person was reported to have asked not so long ago, did no one notice what was happening? No member of this Government is responsible for anything, so clearly none of them did.

The result has been the first run on a British bank since Victorian times. The British taxpayer has already spent more than £3 billion as a result of exposure to the nationalised bank Northern Rock. The Prime Minister knew that nationalisation would lead to taxpayer loss, and that nationalised bank has made a loss of nearly £600 million so far this year. My party was right to say that nationalisation would be a bad deal for the taxpayer, because that is how it has turned out. The quality of the Northern Rock mortgage book has deteriorated 16 times as fast as the industry average.

John Hemming (Birmingham, Yardley) (LD): The hon. Gentleman says that the Conservative Opposition said that Northern Rock should not have been nationalised. What should have been done, then?

Mr. Amess: I am not going to revisit the argument about what we should have done. The Leader of the Opposition made clear what we would have done, but the reality is that if there had been a Conservative Government, we would not be in this mess now. We would not have taken the power away from the Bank of England.

David Taylor: I am grateful to the hon. Gentleman for giving way. As he knows, I admire his many admirable qualities, although his political judgment is not one of them. He said that if the Conservatives had been in power, none of this would have happened. We shall never know that. However, in an interesting speech, the right hon. Member for Wokingham (Mr. Redwood), one of the soothsayers and thinkers on the right of the Conservative party, was advancing the ideal of a derestricted mortgage market and lessening the controls. Is the hon. Gentleman attracted by that idea from his fellow thinker of the right?

Mr. Amess: My right hon. Friend is not here to defend himself. I have the greatest admiration for the hon. Member for North-West Leicestershire (David Taylor), and I am sorry that he is not standing at the next election. However, he will not tempt me to fall out with a colleague for whom I have the highest regard.

The Gracious Speech also stated that the Government would

"bring forward legislation to promote local economic development and to create greater opportunities for community and individual involvement in local decision-making."

As I should have said at the start, there has never been a state opening of Parliament as late as this year's. The Gracious Speech was full of jokes—every comic should get their hands on it. The Government talk about local decision making, but ever since 1997 they have undermined local government. There are now cabinet members and people with other fancy titles in local government, but all their power has been taken away. The country is run by quangos. When this was the mother of Parliaments and we had great powers, on the first day of the debate on the Gracious Speech the Chamber would be packed, particularly with Government supporters. Nowadays we have been dumbed down and no one bothers to listen to what we say. We have no power. This Government have taken power away from local government. They say that they are going to introduce a Bill to give power back to local authorities, but I shall believe it when it happens—that will be up to an incoming Conservative Government.

David Taylor: The incoming Conservative Government may still be seven, eight or nine years away. The hon. Gentleman is a keen defender of the system of county government, and I think he has represented part of Essex for quite a long period. As a keen student of political affairs over the past 35 years or so, does he recall the local government reorganisation that led up to the major restructuring in 1973-74, which was of Conservative inspiration, and the major reorganisation in 1996-97, which took place in the later years of the Major Government? That reorganisation restricted the powers of and weakened local government, and was, in most cases, done in the face of resistance and hostility from the bodies being reorganised. I am sure that, as a fair man, he would acknowledge that.

Mr. Amess: I am afraid that I do not accept what the hon. Gentleman says. For what it is worth, I was a Parliamentary Private Secretary in the Department concerned when all those negotiations were going on, and my recollection of those decisions is completely different from his. However, I will not be tempted to go further down that road.

Next, the Gracious Speech tells us:

"A Bill will be brought forward to increase the effectiveness and public accountability of policing, to reduce crime and disorder and to enhance airport security."

I get the impression that there is shock in all parts of the House about what has recently happened with a colleague's office being raided. Well, I am not shocked, because I have privately been in despair about what has been happening to our police force since 1997. We used to have the finest police force in the world. Now, thanks to Labour, we have a police force that is similar to many others throughout the world, and I greatly regret that. I have had a number of dealings with the police over all sorts of highly sensitive and serious matters, and I have found their behaviour, without question, to be absolutely unacceptable. I am in despair about what has happened. I will not go into detail about those matters, but merely point to one occasion when I happened to need the assistance of police officers. Two turned up, and their behaviour and response were an absolute disgrace.

Because of the way this Government run things, we now have a Home Secretary who does not seem to be responsible for things and it is supposedly acceptable that she has not been told about them. Earlier today, I was chatting to two former Home Secretaries. The idea that they would not have been in the loop is absolutely crazy. Sir Ian Blair would not have lasted two minutes. Who is wagging the tail? This is the mother of Parliaments.

[Mr. Amess]

This is where we make the law—it is not the other way round. The police are no longer accountable to anyone. I fully back the Independent Police Complaints Commission and its chief executive. It does a splendid job, but this Government have not given it the necessary power or teeth. My constituents have to go through so-called local resolution, which we have for the health service and for the police, and when they have done that and eventually get to the IPCC, it is like a war of attrition. The police never apologise for anything, and it is one law for them and another for us. In the light of what has happened to a colleague, this is a tragedy, and we cannot leave it like that. For once, Members from all political parties must unite to restore the sovereignty of this place. I listened carefully to what Mr. Speaker said earlier, and I think that we were all heartened by that measured statement. He said that he will look very carefully at the wording of the motion that the House debates on Monday.

We have these organisations called police authorities, but I find over and again that if I take a problem to Essex police authority it seems to have no power to do anything, so what is point of them? It is interesting that the Government say that we are going to have yet another Bill, but it will be up to the incoming Conservative Government to restore the police service to what used to be the envy of the world.

The next part of the Queen's Speech that I want to refer to says that the Government

"is committed to ensuring everyone has a fair chance in life."

We all agree with that. However, under Labour this has become a very unjust country in which to live.

Then we are told that because

"the health of the nation is vital to its success and well-being, a Bill will be brought forward to strengthen the National Health Service. The Bill would create a duty to take account of the new National Health Service Constitution that will set out the core principles of the Service and the rights and responsibilities of patients and staff. The Bill would also introduce measures to improve the quality of health care and public health."

Yet if one looks at the detail of the Bill, a vital element—a clear statement of NHS values—has been completely left out. I served on the Health Committee for 10 years, and by the end of that time I found that we were going round in circles examining the same things that we did when I first joined it. The last thing that the health service wants is yet another reorganisation. Whether it is GP fundholding or independent hospitals, we are going round and round, and if anything would demoralise staff, it would be further upheavals.

Then we are told that the Government

"will bring forward a Bill to reform education".

We all welcome the appointment of a new independent examinations regulator, which the Conservative party suggested. It is important that that regulator upholds the integrity of the exams system, which regulation has so far failed to do. However, the rest of the Bill is full of meaningless things. It goes back to when Tony Blair was talking about "education, education, education" and being

"tough on crime, tough on the causes of crime."

I wish that this House had been able to take forward the motion, which some of us supported, to impeach Tony Blair. Of all the things that he has been responsible for, perhaps the biggest crime of all was the downright lie that he told the House of Commons about the war with Iraq. I look to my hon. Friend the Member for Billericay (Mr. Baron) and say that I wish that I had had the guts that he showed, together with his 17 colleagues, in voting against the war with Iraq, for which I will never forgive Tony Blair.

The Gracious Speech also tells us that the Government

"will continue to take forward proposals on constitutional renewal, including"—

this is the biggest joke of all—

"strengthening the role of Parliament".

Since they won in 1997, the Government have done everything possible to weaken Parliament. They have undermined the work of Members of Parliament and destroyed the basis on which this place operates. It is an absolute disgrace. They created that nightmare, but we are now told that they will strengthen Parliament's role. This morning, when I heard Lord Mandelson on the radio giving advice about a Member of Parliament's office being raided by the police, I did a double take. That noble Lord resigned from the Cabinet not once but twice, yet he now lectures us on dealing with a serious matter. He is the last person from whom I would take advice. It says it all if he is the cheerleader for Her Majesty's Government.

The Gracious Speech contains one a measure I am pleased about—that to protect the environment for future generations. The speech reads:

"A Bill will be introduced to manage marine resources and to create a new right of public access to the coastline."

The marine Bill is important. It will protect marine species and habitats—a complex task, given the sheer size of the eco-systems involved. The terms of international maritime conventions have to be fulfilled and environmental management arrangements must be introduced. It has not been fully appreciated that Britain's seas are surprisingly crowded. The Bill needs to manage those pressures carefully, and it promises better opportunities for all stakeholders to help to shape the way in which our seas are managed. The question is whether their respective voices will be heard as the Bill works its way through Parliament.

The Government are rotten and have failed deeply. They are running out of time and options. I hope that the Gracious Speech is the last that we hear from a Labour Government and that the incoming Conservative Government will be responsible for the next one.

David Taylor: On a point of order, Mr. Deputy Speaker. I wonder whether the House authorities have reported any problems with the acoustics in the Chamber because there seems to be an echo of a speech that I have heard 12 or 13 times since 1997. Are there problems?

Mr. Deputy Speaker (Sir Michael Lord): I am sure that the Chamber's acoustics are as good as they have always been.

8.22 pm

Mr. David Evennett (Bexleyheath and Crayford) (Con): I am grateful for the opportunity to speak in the debate on the Queen's Speech and highlight the issues that concern my constituents. It is always a pleasure to

follow my hon. Friend the Member for Southend, West (Mr. Amess) and to listen to his views. I also commend the comments of my hon. Friend the Member for Sevenoaks (Mr. Fallon), who is experienced and knowledgeable about finance and economic matters. His speech gave us much food for thought. My right hon. Friend the Leader of the Opposition, who was in robust and dynamic form, made an excellent speech.

In my area, there is fear and fury about the position in which our country and my constituents find themselves. They largely blame the Government for failing to deal with the real issues in the past decade. People in my constituency do not believe that all our economic and financial problems started in America. They are worried that, as our country goes into recession, we will be hit harder than other western European and other countries. Why are we in that position? It is possibly because in previous Queen's Speeches, legislative programmes and decisions for which the Government were responsible, the wrong policies were implemented at the wrong time.

People in my constituency are hurting today. We will all judge the Queen's Speech and the recent pre-Budget statement against that background to ascertain whether either or both will address the serious financial and economic problems that our country faces. At first glance, it appears that they will not and that they represent yet another missed opportunity by the failing Labour Government. My constituents will judge the Queen's Speech on two counts: whether it helps resolve the mess into which the Government have got us on so many fronts and whether the measures are fair.

To me, the Queen's Speech represents the dying rites of a tired and bankrupt Government. They claim that Britain should be fairer, but Labour policies have caused greater unfairness in our country in the past 11 years. People are fed up with the Government treating them unfairly on tax, benefits, housing, health, education and so on. It is laughable for the Government to have the audacity to take fairness as their theme for the legislative programme. In my constituency, the three top priorities are the economy, crime and health. I shall concentrate on them in my speech.

Some measures in the Queen's Speech are welcome—for example, the marine Bill, which my hon. Friend the Member for Southend, West mentioned. As my right hon. Friend the Leader of the Opposition said, some of the proposals were originally Conservative and the Government have now adopted them. We always welcome the Government Front-Bench sinner who repenteth.

The content of the Queen's Speech is slim and it has no overwhelming vision for the future. It worries me that it is without vision or direction. The Government appear to have run out of ideas and do not know which way to turn. Our society is broken and the Labour Government have no idea how to mend it. One or two Government Members have said that new Labour is dead, and they are probably right.

For all of us—young or old, with families, in work or on benefits or pensions—the economy is the overriding priority. Jobs, money, taxes, housing, mortgages and rents genuinely concern many people throughout our country. The Government talk the talk, but do not seem to understand or empathise with those truly worried people.

Mr. Chris Mullin (Sunderland, South) (Lab): Will the hon. Gentleman give way?

Mr. Evennett: No, the hon. Gentleman has just come in and I want to continue.

The Government have done too little, too late about the economy. Of course, we welcome the proposed Bill to introduce a framework to protect bank depositors. The measure will allow the Bank of England and other authorities to intervene when a bank gets into severe difficulties, and that is welcome. We are also pleased that several banks, including the Royal Bank of Scotland, will not move on repossessions for six months. That will provide some help for some people.

However, people are genuinely fearful that they will be out of a job or unable to meet their mortgage payments, yet they have been highly taxed by the Government, who wasted money and did not put any aside for the future and the bad times that have now arrived. They taxed and spent and did not look to the future and save, so that, when the recession came, they could do something with existing resources.

The economy is the big issue. There are businesses in my constituency that are struggling. Some are fearful of the new year. We need action to help to improve their cash flow, reduce their taxes and cuttheir national insurance contributions. Thousands of businesses are threatened with going bust and thousands of people will lose their jobs. The 2.5 per cent. VAT reduction was not a sensible move to kick-start our economy, as will be proved in time. The Government need to do more, but I do not think that they have any idea of what to do.

The second issue that I wish to highlight is crime and antisocial behaviour. It is interesting that the Government's policing and crime Bill concentrates on the accountability of the police through directly elected representatives on police authorities. That is another Conservative proposal. As I have said in the House before, my constituents want to be able to walk the streets in their neighbourhoods and town centres without fear. Regrettably, there has recently been a considerable increase in burglary across my borough. Some people do not even feel safe in their own homes now. Constituents feel that the Government and the police do not devote enough time or manpower to the problem of burglary.

There is also concern about the licensing situation and alcohol-induced crime. The Government liberalised the licensing laws. I very much regret the move to 24-hour drinking and believe that it has been a great mistake. The Government have looked at the issue again, but have still done nothing to address it—indeed, they have not even proposed anything. Around the Broadway square in Bexleyheath, there are three large-volume licensed premises that can contain up to 2,500 people on a Friday or Saturday night. Police data show that the area has been a hotspot for violence against the person offences and for criminal damage. Between 2002 and 2006, alcohol-related disorder in the area rose by 43 per cent.

Evidence showed that the incidence of alcohol-related crime, disorder and public nuisance in Bexleyheath town centre was increasing, despite the use of mechanisms outside the licensing regime, such as designating the area an alcohol control zone and a dispersal area. The Major of London has recognised the problems caused by alcohol in public places. He took immediate action on taking office to ban the consumption of alcohol on public transport in London, and he backed that up by putting more police on public transport.

David Wright (Telford) (Lab): Can the hon. Gentleman tell me why my Conservative council will not ban street drinking in local town centres, even though, as he says, the powers are available and there is enormous pressure from the local community to do so? The point is not about 24-hour drinking, because people purchase alcohol in supermarkets and then drink it in local town centres. Why will my council not do anything about that?

Mr. Evennett: I cannot speak for the hon. Gentleman's local authority, but Bexley, which is under an excellent Conservative-controlled council, is taking those sorts of measures. We all need to unite to deal with alcohol-related crime, but the Government have not taken it as seriously as they could have done. However, I welcome those steps that the Government have taken and hope that the policing and crime Bill will move us in that direction.

The third issue that I want to raise is health. The Queen's Speech says that an NHS constitution will be established outlining the rights and responsibilities of staff and patients. That is another Conservative policy and it is welcome indeed. We are looking forward to some positive moves by the Government. However, on the other side, my constituents are concerned about health care and the availability of services locally now.

We in Bexley are still campaigning against changes to downgrade or cut services such as accident and emergency, and maternity services at Queen Mary's hospital in Sidcup. The campaign has brought together thousands of people from across the borough and beyond who are concerned about the future of the health services that they can access if the changes go ahead. One of the problems with the Government is that they make too many top-down decisions without looking at local need. The proposals in Bexley have now been referred to an independent review panel, which will look at them again. We eagerly await its recommendations and the Secretary of State's decision.

The Government's proposed national health service reform Bill is one step behind, although the main proposals in the Bill are encouraging. We want patients to have a greater say about the care they receive, and we want PCTs to be more responsive to local communities. We also want to strengthen public involvement in commissioning. Those positive steps are very welcome, but my constituents are greatly concerned about polyclinics. There is fear that the hospital will be downgraded to become a large polyclinic if the downgrades go ahead.

Despite the Government's claims that polyclinics will not be imposed on communities, half of all PCTs do not plan to consult local people about whether they want one in their community. People in my area are concerned that family doctor surgeries will close and that impersonal polyclinics will be introduced, with patients being lucky to see the same GP regularly and perhaps having to travel much further. The proposal for the new constitution is good, but many Conservatives are concerned about the delivery of services on the ground, and about the downgrades and cutbacks that have occurred, because if the Government have more financial difficulties, there will be real problems.

David Taylor: The hon. Gentleman was a Member of this House in the pre-1997 period, representing much the same area that he represents now, so he will have been part of, or at least a supporter of, a Government whose expenditure on the NHS was going backwards. Does he welcome the fact that in the almost 12 years since 1997 the gross amount being spent has more than tripled to well over £100 billion a year? Even allowing for NHS inflation, there has been a doubling in real terms as an effect of that. Had the Government whom he supported continued from 1997, the NHS would be nowhere near as strong as it is now.

Mr. Evennett: There are a couple of points to make on that. Of course we welcome the resources that have gone into the NHS, but the issue is how efficiently that money has been used. I am afraid that much of it has been wasted, and has not been used efficiently for patient care. Too much has been spent on bureaucracy and administration, and not enough has been spent on front-line care. In the 1990s, productivity was going up considerably, and when we look at waiting times now, we see areas of concern for the future. We welcome the increase in resources, but we want them to go to front-line services, so that the medical side gets them, rather than the administrative side.

Other measures were mentioned in the Gracious Speech. We are to look at education, yet again, as well as training and apprenticeships. We want excellence in education and of course we want the best opportunities to be available for every child, so that they can develop themselves and maximise their opportunities in life. However, some of the figures for exam results and for the number of people leaving school without basic qualifications, or five GCSE equivalents, make us worry that although money has gone in, the output has not been as good as we would have liked. On apprenticeships, we have a desperate need for more trained apprenticeships and for more skilled 16-plus students, but, regrettably, there has not been as much success in that area as we would have liked.

Many areas that were mentioned in the Gracious Speech need to be improved, so we look forward to the introduction of various Bills, and we will argue our case on each of them as they go through the House. Like my hon. Friend the Member for Southend, West, I hope that this will be the last Queen's Speech of this fading and discredited Government, who have no future and no vision. It is time for change; the country needs it and the people want it, so we want to bring it on.

8.38 pm

Andrew Selous (South-West Bedfordshire) (Con): It is a pleasure to take part in this debate, and particularly to follow my hon. Friend the Member for Bexleyheath and Crayford (Mr. Evennett), with whom I have had the pleasure of working closely in the past. He is a fine man, and his constituents are lucky to have him looking after their interests.

Today started with a statement from Mr. Speaker. I do not want to go over the various points that have been made today, but they are important and they matter to our constituents, because the relationship between a Member of Parliament and his or her constituents is important. It needs to be confidential and should always be conducted through open channels of communication. We know that that did not happen in the case of my hon. Friend the Member for Ashford (Damian Green) last week.

The offence of aiding and abetting misconduct in public office—or being charged on suspicion of having committed such an offence—has been used not only against a Member of Parliament. It was used recently against two of my constituents: a local investigative journalist and a former detective sergeant in the police force. They were charged with that offence and brought to court fairly recently, but I am pleased to say that the charges were thrown out because the judge found errors of law and of fact in the case that was being brought against them.

When people look at the debate that we had earlier today on the events of last Thursday, they might think that it simply involved MPs being concerned about their own privileges. As I have just said, those privileges matter, as far as our constituents are concerned, but such charges—which are common law charges, not criminal charges, as I think was suggested earlier—are also being used against journalists, police officers and others in our constituencies. We need to bear that in mind as we discuss these issues.

Today's debate has so far quite properly focused on the economy and on the difficult situation that many of our constituents face, and it is on those issues, at national and local level, that I wish to speak first. Many Members, especially on the Conservative Benches, have asked whether the huge sums—£487 billion has been mentioned—that the Government have put into the banking system, either as direct capital injections or as guarantees, are giving us value for money. There was rather more discussion in the US Congress on these matters than I have heard from those on the Government Benches here. Congress debated whether the American public were getting value for money from what the American Government were doing, and whether main street or Wall street would be the beneficiary.

I am glad that, at last, questions really are being put to the Government, and that they are under pressure to tell us whether the huge amount of public money that has gone into the banks is really getting through, whether the credit is starting to flow to small businesses, and, in particular, whether people are able get mortgages. We must not forget the people who have been priced out of the property market for many years by ever-rising prices. The tragedy now is that, at a time when property prices are starting to come down and there is a hope that homes might become affordable, many of our constituents—especially the younger ones—are going along to their bank or building society only to find that they are unable to get a mortgage. We need to look at that matter urgently. Lending needs to be done sensibly—we do not want people to be offered six and a half times their income; such ratios have got people into difficulties in the past—but I hope that Ministers will urgently address that issue, and that of looking after small businesses.

I was disappointed that there was no mention in the Queen's Speech of Equitable Life. The Government have gone against the findings of the parliamentary ombudsman in the past at their peril, and, certainly in the case of failed pensions, have later had to recant—as it were—and reverse their position. The Prime Minister promised us a statement on this matter before the House rose for the Christmas recess. I hope, on behalf of Equitable Life policyholders and all people who save for the future, that there will be a fair resolution to the issue. The savings system in this country is in a bad way, and if people are to be encouraged to make reasonable and responsible provision for the future, we need to clear up this matter and give people confidence in the future of their savings.

David Taylor: The hon. Gentleman is well known across the House as a decent, fair and reasonable individual. Would he accept the widely recognised view that the roots of the Equitable Life saga—I guess that it is rather more than that—go way back beyond 1997? Does he acknowledge that there is a shared responsibility between the previous Conservative Administration and this Government, and that it would be premature to allocate responsibility as though the problems started only in 1997, as they clearly did not?

Andrew Selous: I am grateful to the hon. Gentleman, for whom I have a great deal of respect. I was not really seeking to allocate blame as such, but the fact is that the hon. Gentleman's constituents and mine have been pretty badly let down through no fault of their own. That is a matter on which the parliamentary ombudsman—an Officer of this House, Mr. Deputy Speaker—has spoken very clearly to the Government. The hon. Gentleman's party is in power at the moment and that happened under his watch, so it falls to Government Ministers to come up with a fair and reasonable solution, notwithstanding any points about how those events have come to pass. Our economy does not need the vision set out by the Government, which will plunge the country into really frightening levels of debt for the future that our constituents will have to pay off with increased taxes for many years to come.

I look forward to seeing a freeze on council tax for the first two years of a future Conservative Government. Only this week I had e-mails from a number of constituents who were deeply concerned about future council tax increases. This is a tax that hits poorer people and pensioners, for example, particularly hard, so many of our constituents will find that any small cuts in VAT will be hugely outweighed by such increases.

I would also like to see employment costs for small businesses reduced by cutting national insurance and providing a tax break for jobs, which my right hon. Friend the Leader of the Opposition has already outlined. We desperately need to get credit flowing to businesses with the sort of insurance scheme that guarantees commercial lending in the same way as does the scheme for inter-bank lending that the Government have already put in place. This is not state interference in decisions properly taken by banks, but amounts to standing back and providing an insurance-based guarantee that is already happening in parts of the financial system. That brings me back again to the issue of whether, when it comes to supporting our smaller businesses, we are getting value for this huge amount of taxpayers' money.

I also want smaller businesses helped with their cash-flow problems by delaying their VAT bills for six months. Over the weekend, I spoke to a business man who employs between 30 and 40 people and he told me that that sensible and practical proposal would really help his business. As the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) said earlier, we need the introduction of some form of American-style chapter 11 proposals. That idea has been put to Ministers time and again, yet they continue to resist it, claiming that previous

[Andrew Selous]

legislation has done all that needs to be done. We are reaching a position that none of us wants to see, whereby businesses that are fundamentally sound risk going out of business for want of such chapter 11-type protection as is available in America, but not in this country.

I was also alerted over the weekend by a Dunstable accountant—I am grateful to him for the information—to the fact that evidence from his clients suggests Her Majesty's Revenue and Customs is taking between two and five months to repay money it owes to small businesses. In these times of great cash-flow difficulties, it is incumbent on Treasury Ministers to ensure that their Department does its bit to ensure that money owed to businesses and individuals is actually paid back far more promptly.

The hon. Member for Great Grimsby (Mr. Mitchell) mentioned earlier that he welcomed the falling pound and hoped that it would drop further. I wish I could introduce him to a small business man in Dunstable whom I had the pleasure of visiting earlier this year. He is a talented and ambitious young man who runs a small, but growing business. He faces problems largely because of the fall in the pound by about a quarter of its value over the past few months. That is causing tremendous difficulty for his business as the cost of what he imports has gone up. We need to remember that.

Locally, there is an onus on local authorities to do what they can to help businesses get through these difficult times. It will be for each local authority to see what it can do; it may have to look at parking charges in some areas. In my constituency, the one thing that would help our local economy, encourage businesses to stay and new businesses to come would be to get a key by-pass built north of Dunstable, now known as the A5-M1 link. I very much hope that that will happen sooner rather than later, as I understand that the difficulties formerly identified by the Government are now being overcome.

I am concerned about what happens to constituents who fall through the net, whose eligibility for different types of benefit is questioned and who suffer delays in processing their claims. The Secretary of State for Work and Pensions made a statement to the House on work and welfare recently in which he said—I thought slightly complacently—that the current system was working well. I have experience in my constituency, as I am sure hon. Members on both sides of the House do, of people who have fallen through the net. When the Jobcentre Plus office closes at 5 o'clock on a Friday night, those people have no money. They have not been able to get through to the social fund and they are not even going to be able to eat over the weekend. I call on the Secretary of State to undertake an urgent review of Jobcentre Plus, district by district across the country, as to what arrangements are in place to help people in those situations. We are not talking about huge numbers of our constituents but it matters desperately and it is a shame on our country that in Britain in 2008 we have people who fall through the welfare system. I know of instances where charities have had to take food round to people who would not have eaten over the weekend. I will say more about the people who did that later in my remarks.

There is a proposed Bill in the Queen's Speech entitled apprenticeships, schools and children's services. Education is a passion and an interest of mine. I serve as a governor in a local school and I pay tribute to the dedication of teachers in our country, and to the work of school governors, which is unpaid, voluntary and involves a great deal of time. We are blessed in this country with people within our education system who are extremely dedicated, but the fact that half of the children in the country are still not getting five good GCSEs, including English and maths, should shame us as a country.

I know that there are problems with discipline in many schools. I am grateful to one of my head teachers for a thoughtful and considered letter that I received last week, explaining why he had been unable to exclude a child from his school who had perpetrated a violent assault on another pupil. He went through carefully all the reasons as to why he could have been overruled and why that would have made the situation more difficult within the school had he been second-guessed, which he thought he was in great danger of so being.

I put it to Members that that is not a good situation for head teachers in schools up and down the country. We need urgently to give more power and more responsibility to them. They only reach that position after a long time in the teaching profession and through proper assessment as to their suitability for that role. It is time to trust the judgment of our head teachers more.

John Hemming: On exclusions from schools, in my constituency a few years ago—before I was elected—a child who had assaulted a classroom assistant was excluded from school but then reinstated by an appeals panel. Does the hon. Gentleman agree that we must have no tolerance of violence in schools?

Andrew Selous: There should certainly be no tolerance whatever of violence in schools. Schools should be places where the children of our country can go in complete safety and security to learn. That is what they are there for, and the idea of violence in schools is as abhorrent to me as I am sure it is to every Member.

Moving from schools to skills, I was horrified to learn recently when the Government brought out their climate change report that the major constraint on building more nuclear power stations—regardless of our views on whether to do so is right or wrong—is that there is a shortage of suitably qualified engineers to build the nuclear power stations that we may need to keep the lights on and to keep us in business in this country. Sadly, in some parts of our country, engineering training is not all that it could be. Some local businesses have reported to me experiences that do not reflect well on the engineering training that certain of their employees have received. I also recently learned that in three major local education authorities—Blackpool, Darlington and Islington—not a single child took one of the three mainstream sciences at GCSE in 2007. I am shocked by that. Are we really saying that there are no children with any scientific ability in any of those three boroughs?

If we are to diversify our economy—as thinking Members in all parts of the House realise we need to do in order to get away from our over-reliance on financial services, property and public spending—we need engineers for the future. We need people with a grounding in science so that if we require nuclear power stations in future so that we can keep warm and keep the lights on, we have skilled people who can enable us to provide that. We need to look urgently at our science base.

People cannot go on to be more skilled engineers and scientists later on at A-level or university or in further study if they do not have the GCSE base. We must look into that.

A number of my hon. Friends have commented on the Government's local economic development and democracy Bill, which was mentioned in the Queen's Speech. I view that Bill with a little incredulity given the experience of my constituents in recent years, who have had major decisions on housing growth, and especially the number of local jobs and the transport and infrastructure links that must go alongside that, taken out of their hands and appropriated either to regional bodies or back to Government Departments.

I strongly echo the remarks of my hon. Friends the Members for Sevenoaks (Mr. Fallon) and for Southend, West (Mr. Amess), who called for more powers and discretion to be given back to our local councillors. I am worried about the regional spatial strategy approach of the Government. If we are going to ask our constituents to go out to polling stations on wet Thursday afternoons to vote for local councillors, then those men and women who are duly elected by proper process, as we in this House are, need to have the power to take decisions locally, and also to be accountable for them so that if they muck up—if they are not building the houses an area requires or meeting the needs of the community—they can be voted out and a new lot of councillors can be allowed to try to do better. That is the basis of our democracy, and we undermine that locally at our peril. The value and worth of our democracy in this House is intimately linked to the value and worth of our democracy at the local level.

I want to move on to another area that is not touched on in the Queen's Speech: family stability. This has some tangential relevance, because a child poverty Bill was announced in the Queen's Speech. I was pleased to hear that, not least because I am likely to be leading on it for the official Opposition. I very much look forward to that Bill. My right hon. Friend the Leader of the Opposition committed us to supporting it, because we, too, want child poverty to be eradicated.

I mentioned family because, sadly, we know that a child whose parents separate is twice as likely to end up in poverty as a child whose parents stay together. Earlier this year, Mr. Justice Coleridge, a man with 37 years' experience of the family courts in this country, told the national conference of Resolution, the family lawyers' association, that he believed that restoring family stability and doing something about family breakdown needed to be at the top of the Government's agenda. His remarks were prescient, and Members of this House should listen to a man who has 37 years' experience of this country's family law system. The events involving baby P, which shocked all in this House, are a tragic reminder of what can go wrong when families break down in a truly shocking way.

We learned today from a report in *The Lancet* that 10 per cent. of children suffer some form of ill treatment every year in our society. That figure is far too high, and I want us to spend more time focusing on prevention, rather than on cure. There have rightly been cries for more inspections of social services and so on, but where is the focus, the vision and the determination from those on the Government Benches to give our constituents the skills and support to make a success of this area of their lives in the first place? Right relationships, responsible fatherhood and motherhood, healthy marriages and positive parenting are some of the most important things in people's lives, and we all pick up the pieces and pay for the consequences when those areas go wrong.

I wish to pay tribute to Cambridgeshire county council—the neighbouring authority to the county of Bedfordshire, which I represent. Its "Vision For Cambridgeshire" has committed to reducing the amount of family breakdown in Cambridgeshire—that is doing something positive. I am in discussions with the new shadow Central Bedfordshire authority to see whether my local authority can commit to doing something similar.

Although we do not have a Bill on this subject in the Queen's Speech, I want to discuss a slightly different area in the final part of my remarks. My right hon. Friend the Leader of the Opposition asked the Prime Minister what had happened to the Government's intention to do something about British values—I think he mentioned the British day and the Government's paper on Britishness. My right hon. Friend's questions were well put, because I am sometimes saddened by the lack of focus on what binds together our diverse country, which has people from many different backgrounds and races, and in many parts of which there are segregated communities. When the Queen arrived in Parliament today, we saw her ability to be a focus of unity for the whole country. My right hon. Friend has suggested a national citizen service as another thing that could help to bind us together. I say to Ministers that there needs to be more thinking about what draws us together, whatever our background and racial origin, and whatever part of the country we come from. We need to spend more time focusing on the things that unite us.

In the closing minutes of my address, I wish gently to rebut some comments made by certain Ministers over the past year or so. They have said in various media interviews that Britain is a secular society. That is part of the whole debate about Britishness and British values, and I disagree that ours is a secular society. It is a very diverse society, made up of people who are secular and people of very great faith, and many people at various points in between. I do not want to live in a theocracy, but nor do I want to live in a secular society.

I understand that in the last census, some 70 per cent. of people said that they were Christian. Some 1.7 million Anglicans visit church every Sunday, and Church membership is actually growing, as are other faith communities in our country. By contrast, the membership of the British Humanist Association is some 5,000 and that of the National Secular Society around 3,000. So when Ministers—and the chief executive of a Government agency whom I heard the other day—state confidently that we are a secular society, I would say that that does not tell the whole story. A political system with real plurality is surely based on the biblical injunction to love your neighbour as yourself.

I shall give two examples of why I think Britain would be much worse off if we did become a secular society. I wonder whether hon. Members remember the mass of protestors who went to Edinburgh as part of the Make Poverty History campaign before the G8 summit there. We all received the postcards about that. It is not generally known that some three quarters of those who went were from Churches and faith communities up and down the country, and their disproportionate influence in that campaign should not be forgotten.

[Andrew Selous]

I mentioned that sometimes some of my constituents literally have no food or money on a Friday evening, because the Jobcentre Plus office closed at 5 pm and they have not yet got their benefit. When that happens, I am so grateful that I have two Salvation Army centres—one in Dunstable and one in Leighton Buzzard—that I can ring and know that they will take food round so that that family can eat over the weekend until the Jobcentre Plus office opens on Monday. That is immeasurably important to me, and we should remember the work that such organisations and faith groups do on behalf of our constituents.

9.8 pm

Miss Anne Begg (Aberdeen, South) (Lab): It is a pleasure to follow the hon. Member for South-West Bedfordshire (Andrew Selous). For four years, we sat next to each other in the Work and Pensions Committee, so I know his views well. I do not agree with him in all cases, but we share an agenda in many areas, especially the ending of child poverty. There is much to welcome in the Queen's Speech, especially the Bill to enshrine in law the Government's promise to end child poverty by 2020.

I also welcome the Bill on welfare reform, which I hope will take the welfare debate on a stage or two. I give credit to the Chapel street Jobcentre Plus in my area, which has been given a reprieve thanks to the announcement last week by the Secretary of State. It will remain open because of the likely rise in unemployment, although I hope that that rise is not too great. In Aberdeen, we have been relatively insulated against the effects felt in the rest of the country from the economic downturn, partly because of the continued high price of oil and the fact that we have a labour shortage in the area rather than a jobs shortage. That is not to say that people are not losing their jobs. Obviously, with the normal turnaround and with people moving in and out of work, it is important that Jobcentre Plus is sensitive to that.

Our local jobcentre and its staff have been very good at stepping up to the plate when there has been a crisis. When factories close, as one did a few years ago, the staff have been prepared to come in on a Saturday morning to interview people and to ensure that they get the emergency money. The local manager was willing to go beyond his obligations to ensure that the redundancy payments were in place very quickly so that the situation mentioned by the hon. Member for South-West Bedfordshire did not arise. I hope we will see that in offices of Jobcentre Plus across the country. They are much more flexible nowadays and the way in which they do business is very different from that of the old Employment Service and Benefits Agency, which we inherited when Labour came to power in 1997.

I mainly want to comment today on the important proposal for a single equality Bill. I do not want to do so just because I am chair of the all-party equalities group, but because I represent a constituency where the gender pay gap is wider than anywhere else in the country. Women in Aberdeen earn two thirds of what men earn. There are explanations for that. We have lots of people in work, and a gender pay gap can exist only when that is the case. The nature of the work in Aberdeen also means that large numbers of people, predominantly men, work in the offshore oil and gas sector on high wages. Women, even if they are in quite well-paid jobs, tend to work on shore and often earn less. There is also a lack of transparency, particularly in the oil sector, which means that it is not always possible for women who work in that sector to compare their wages with those of the men.

Let me give an anecdotal example. I have a friend who works in the sector who told me that a woman who worked for an oil company discovered by accident that she was earning less than the men who she was line managing. That could have happened because of some reorganisation—perhaps the men had previously worked offshore and were now working onshore—and they were still on a reasonable salary, but it came as a shock to her to find out that she was earning less. That is why the proposal to have transparent pay audits and transparency in the salaries paid to men and women, ending the secrecy, will be a crucial element of the single equality Bill—at least, I hope that it will be an element of the Bill.

Such a measure is important because, more than 30 years on from the Equal Pay Act 1970, we still do not have equal pay. That illustrates that legislation is not the whole answer. We know that legislation on its own does not do everything. If it did, we would perhaps not need a single equality Bill. We know that we need to bring the different elements of equality legislation together in a single place and to make them easier for people to understand. At the moment, the legislation is a bit of a hotch-potch, with different definitions for what is reasonable or not that depend on whether we are looking at equality in terms of disability, race or gender. We need a coherent single language that will cross those three strands. We also need to ensure that the strands not covered by legislation at present—age, sexuality and faith—are covered, too, as part of a single equality Bill.

Andrew Selous: The hon. Lady has not yet discussed age discrimination. Some of my constituents who have family up in her part of Scotland have to drive all the way up there—and they do that perfectly safely—because if they fly to Aberdeen, they are not allowed to hire a car because they are too old. Does she find that as upsetting and wrong as I do?

Miss Begg: As I said just before the hon. Gentleman intervened, people's access to goods and services should not suffer because of their age. Age must be part of the single equality Bill—something that the charities concerned with people of age have long been pushing for. He is right in what he says, although I am shocked by what he has told the House about Aberdeen airport. If he would like to pass the details on to me, I may be able to take the matter up with the companies at the airport. The problems with insurance are simply wrong and should not happen.

Obviously, I am especially concerned about the issue of disability. As I said, legislation is not and cannot be the whole answer to equality problems, which are to do with people's attitudes and behaviour. Sometimes, when we discuss equality, we tend to think that there are only negatives and that there have been no improvements, but I have been using a wheelchair to get around since 1984 and I know that things have changed dramatically.

For example, I can get into more cinemas now. I—a non-smoker in a wheelchair—used to be considered a fire hazard, whereas the drunk man with a cigarette was not. Very few London theatres were accessible to people in wheelchairs. If I wanted to travel by train, I had to use the guard's van. That was the reality for people in wheelchairs only just over 20 years ago, but it is not the reality today. Problems still happen occasionally, but they come as a shock.

When I travelled with the hon. Member for South-West Bedfordshire around the country and around the world, I was able to play my part in the Committee's work to the same extent as anyone else. However, the economic driver was quite important: hotels that could not take me could not take the other 12 or 15 members of the Committee either, and that was business that they lost. Very often, economics can be an important driver in changing attitudes to accommodating people who have problems as a result of disability or age.

In an economic downturn, businesses that have addressed the equality agenda— which welcome older people or which have made provision for people with disabilities—will be the ones that do better. That is because they will get the trade that other businesses will not be able to attract because their owners thought that the equality agenda had nothing to do with them. There is therefore a good economic reason why businesses, especially when things might be difficult for them, need to address the equality agenda. This should not be a time for backtracking or back-pedalling.

I welcome the single equality Bill, and I shall watch its progress through this House and the other place with interest. I hope that it will bring all the equality legislation together in one place for the first time, and make it coherent, understandable and easier to implement.

9.18 pm

Mr. John Baron (Billericay) (Con): First, may I say what a pleasure it is to follow the hon. Member for Aberdeen, South (Miss Begg) and to listen to her experiences? I agree that those companies that have embraced the equality agenda, especially as it affects disabled persons, stand a better chance of riding through this economic downturn than companies that have not.

Being tail-end Charlie, I shall keep my comments brief. I know that everyone wants to move on to the next bit of business, but before I speak about the Queen's Speech, I want to make a brief comment about the incident involving my hon. Friend the Member for Ashford (Damian Green) and the developments of the past few days.

I am sure that hon. Members in all parts of the House will agree that there has been a serious breach of protocol and a serious failure of the systems in this place. For the police to turn up without a search warrant, go into a Member's office and confiscate quite sensitive data is a clear breach of the public interest and our privilege in representing our constituents. My only comment is that I worry about the proposals for how we should examine what has gone wrong.

The special Committee, for example, may sound like a good idea, but we already have a procedure in place, courtesy of the Standards and Privileges Committee, to look into such things. It has not yet been explained to me why we should go down the special Committee route when an existing Committee is ready to take on a job of that nature. I am somewhat concerned about the debate on Monday. It may sound like a good idea but, given that the Government will table the motion and that it appears this afternoon that we have been invited to suggest amendments, I worry that this will become a party political issue, rather than both sides coming together to try to find out exactly what went wrong.

I now move on to the Queen's Speech. As with all such speeches, there were good and bad bits. What any objective observer would note is that a fair chunk of the good bits are Conservative ideas. Direct elections for police commissioners, or police accountability at least, the welfare reform package, the NHS constitution, the independent exam regulator or the points system for immigration—these are all ideas that have first found expression on the Conservative Benches. I very much welcome those ideas, because they are ours, but it is noticeable that, if the Queen's Speech and the proposed legislation for the coming year were stripped of them, there would not be much by way of good ideas.

We are told that the Queen's Speech has been streamlined to allow Ministers to focus on the economy—and rightly so—but I suggest that some of the Government's claims about the economy are falling apart. We have heard much in recent years about how prudent the Prime Minister has been, yet we are entering this recession with the largest budget deficit in the developed world. We have heard much about stability, yet unemployment is rising more quickly here than in any other major economy. We have heard talk about how boom and bust has ended, yet we are forecast focus to have the worst recession in the developed world.

My real concern is the extent of the debt that we are taking on. It is an interesting fact that the Government have now taken on more debt than all previous Governments combined. That must be worrying. It can only be unsustainable. When questioned about the tax-raising measures that have been introduced, the Government cannot deny that they have provided only a small element compared with the black hole that is being created in our public finances. The Government seem unwilling to come clean and explain where the money will come from to plug that black hole. It can only mean higher taxes further on down the road. That must be a worry for future generations, because if an economy is burdened with higher taxes, it will take longer to recover. That cannot be for the good of the country. I urge the Government to come clean about the extent of the tax increases that must follow from the amount of debt that we have taken on.

I notice that there is a Banking Bill carry-over in the Queen's Speech. In many respects, that is welcome. The system of regulation that the Prime Minister, the then Chancellor, designed has failed. In 1997, he removed the power of the Bank of England to regulate the amount of debt in the economy and its responsibility for regulating the banks. A new tripartite system was established, but it was not clear from the start who was in charge. That became very evident in the latest crisis. There was the first run on a bank for probably 100 years.

The fact that the special resolution regime has been embraced by the Government—that is a much better way of managing bank failures than repeatedly nationalising banks—is a tacit admission by the Government that the previous regime, set up by the current Prime Minister,

[Mr. John Baron]

failed in its primary purpose of maintaining a stable banking system. Therefore, that measure will be welcomed, but it corrects an error that was made previously.

Members in all parts of the House have expressed concern that credit is still not flowing freely enough, particularly to our small and medium-sized enterprises and businesses. Too often in my constituency, small businesses are coming up against banks, in which we all now have a share, that are curtailing overdraft facilities and raising interest rates for the overdraft facility that remains. That is putting a real squeeze on smaller businesses in particular. In this place, we tend to underestimate the extent to which small businesses rely on overdraft facilities, particularly at this time of year. I urge the Government to take the opportunity provided by the Banking Bill to try to examine that problem. If they cannot do it here, they should do it elsewhere, but again I wish that I had heard about that in the Queen's Speech; there was nothing there about it.

On the fiscal stimulus that the Prime Minister has talked much about, I would question the effectiveness of a 2.5 per cent. cut in VAT when prices in the high street are already falling by 20 or 30 per cent. That cut may not sound much—indeed it is not much when we consider small-ticket items—but it is costing the Treasury about £12 billion, which is an awful lot of money. It is the lion's share of the stimulus package.

With that same amount of money, the basic rate of income tax could, I believe, have fallen by up to 4p in the pound. That would have really helped people in their pockets, particularly at the low end of the pay scale. Perhaps that would have been a better way to approach the matter. Then again, perhaps the Government were too concerned, worried and indeed scared about how attractive people might have found such a drop in income tax, even though it might have been only temporary. However, that would have helped hard-pressed families much more than a simple, very small cut in VAT, which will benefit only the well-off and the very wealthy in society who buy big-ticket items, and prices are already falling by up to 30 per cent. in the shops.

I will mention the following point because I notice that the veterans Minister, the Under-Secretary of State for Defence, the hon. Member for North Durham (Mr. Jones), is on the Front Bench. I am sure that he will have noted the developments in France with regard to the recognition of nuclear test veterans there. I am sure that he is following that with interest. I urge him to look at that decision in France carefully to help us to build on the excellent progress that we are making, which he has been very much part of, in furthering the cause of our own test veterans, who are now almost alone in not having their Government recognise their case. There can be little differentiation now between the French nuclear test veterans and our own. We have seen the Canadian Government, the American Government and the New Zealand Government all make positive moves. I welcome the new Minister to his post. Since he has arrived, we have made progress on the issue and I thank him for that again, but I also ask him to reflect on the French decision and hope that we can drive the agenda forward now.

Ordered, That the debate be now adjourned.—*(Barbara Keeley.)*

Debate to be resumed tomorrow.

Health Services (Telford)

Motion made, and Question proposed, That this House do now adjourn.—*(Barbara Keeley.)*

9.30 pm

David Wright (Telford) (Lab): I am pleased to have secured this Adjournment debate Session on health services in Telford on the first day of the Shift. If hon. Members listen to the tone of my voice, they will know that I could do with some health services, but I have loitered here for seven hours to make this speech, not knowing when the previous debate would conclude, because this issue is incredibly important to local people. Health services in my constituency are important, and the issue is exercising the minds of local health professionals and those who represent our community locally.

I want to cover two points this evening. First, I want briefly to discuss improving primary care services. Secondly, I want to discuss in some detail the impact on my constituents of the new health and health care strategy for Shropshire, Telford and Wrekin, which is being developed by the clinical leaders forum in the area and which is being discussed by the NHS trusts and local stakeholders at the moment.

We have an excellent range of primary health care providers in our town. Telford and Wrekin PCT will spend some £230 million of public money in 2008-09 on the NHS serving local people. Primary care services are important, and PCTs act as local leaders in determining what services communities need and how those services are commissioned. Our PCT has a good reputation locally for working in partnership with other agencies and delivering more through partnership than it could achieve alone.

For many people, the GP is their first point of contact with the NHS, and we have seen significant investment in GP services in Telford in recent years. New practices have been built in Oakengates, Dawley and Lawley, and more than £3 million is being invested in 2008 to improve the 20 existing GP practices—there has been significant investment at Stirchley and Sutton Hill, for example. That money is rightly being targeted at some of the most deprived communities in my constituency.

In passing, I pay tribute to those who work in the Shropdoc out-of-hours service. I am pleased that the PCT is looking to provide more services for local people with a new GP practice and health centre in Telford town centre, extended hours GP drop-in and pre-booked appointments, sexual clinics and screening, an onsite pharmacy, counselling services and a minor injuries and minor surgery unit. That is a positive step forward in primary care, but it needs to be developed in partnership with other GP practices. Facilities such as the Dawley practice should be expanded to meet local needs alongside that town centre development.

We have seen the provision of more NHS dental services in the town in recent years. I particularly mention the facility at Stafford Park and the service at the Park Lane centre in Woodside, which is part of a major estate regeneration process. That shows us putting together the jigsaw pieces of estate-based regeneration.

Secondly, I want to discuss the development of the overarching health and health care strategy for Shropshire, Telford and Wrekin, which provides a framework for

improving health and providing health services over the next five years until 2012-13 and sets out the vision for 2020 and beyond. That approach is part of the work by Lord Darzi to shape the vision of the NHS. The latest proposals have been developed by the clinical leaders forum, which was commissioned to look at the development of services in the county. Its strategic focus is on developing world-class services for maternity, new-born care and children's health, planned care, mental health, getting healthy and staying healthy, long-term conditions, acute care and end-of-life care. That body of health professionals is bound by two guiding principles in the development of the strategy—in fact, those principles have been established as part of the strategic process. The first is that any proposals that the body comes forward with for our area must make sense clinically, and the second is that they must make sense to the communities served. I shall return to those two points in a few moments.

The clinical leaders forum has now produced a next-stage report that is being discussed by the primary care trusts and the local health scrutiny boards. The strategy does not focus only on hospital services, of course; a key focus in the report is the need to prevent disease and promote healthy lifestyles, and I welcome that. The report also looks at how we could provide services at home, or as close to home as possible. Again, that is welcome; the creation of hospital-at-home services makes sense, and I am pleased to note that the ambulance service, for example, is working hard right now to treat patients at first point of contact, therefore avoiding the need to admit so many people to A and E. However, we need to recognise that the A and E service in our county is often stretched to capacity and that many people still have to wait a long time to be seen.

I also welcome the proposal in the strategy that minor surgery, out-patient appointments and many types of scans will take place increasingly in community settings rather than in acute hospitals. Having said all that, I recognise that the most controversial element of the report relates to a series of options for acute hospital services. In simple terms, the health bosses want to do two things. First, they want to keep children's assessment units at both the Princess Royal hospital in Telford and Wrekin and the Royal Shrewsbury hospital, but they want to put the in-patient children's service on one site. That, they say, is the safest option. They also want to develop a service to care for children in their own homes. As I have said, that would reduce admissions generally.

Secondly, the bosses want to retain the A and E service on both sites, but with one dealing with the most seriously injured and ill—those involved in multiple-trauma road traffic accidents, for example. Level 1 A and E would be provided at regional centres, as it is now, and the two acute hospitals would have level 2 and level 3 A and E services respectively. At present, no decision has been made about which site should have which services. The clinical leaders forum has produced a long list of four clinical options for sustainable acute services. More work is to be done on those prior to public consultation on the recommended options in spring next year. The Minister will say that she cannot comment on the configuration until further work has been done, and in many senses I accept that. However, she will understand that I am using this debate to lay down a marker on my thoughts. I hope that the clinical leaders forum will think hard about what I have to say.

The four options are for the medium term, and in my view we will ultimately have to examine the shape of services beyond 2020. I take the view that in the longer term we will have to look at the idea of developing a new emergency hospital situated between Telford and Shrewsbury and serving both. The Princess Royal and Royal Shrewsbury hospitals would be retained to deliver other services. I know that my proposal is controversial, but it would put to bed for ever the argument that rages in the county between the two towns.

I have already said that it is important that we move to develop more community-based services, but we all know that there will be occasions when people need to use major hospital services. The history of hospital services in Shropshire includes a long struggle to get the status of Telford new town recognised as it grew from the 1960s onwards. The Royal Shrewsbury hospital continues to be the larger of the two acute hospitals in the county, despite the increase in Telford's population and its projected growth for the next couple of decades. The Princess Royal hospital was built in Telford after a long campaign and, ever since then, it seems that there has been a constant process of reviewing service delivery structures. To put it bluntly, I am pretty sick and tired of continual reviews of our local hospital services—a view that I am sure Telford residents endorse and that local health service workers share. We seem to have the same discourse and discussions year after year, and it must be costing a fortune.

I know from family experience how important Princess Royal hospital is to Telford people and to those from the east of the county. When I was a teenager, my grandfather spent nearly a year in hospital. He was a Shifnal man who spent most of his life as a chain maker. Princess Royal hospital had not been built in those days, and my mother travelled from Telford to Shifnal to pick up my grandmother every night so that they could go together to see my grandfather at the old Copthorne site at Shrewsbury. I used to go with them occasionally to visit him. If one factors in the return leg, that was a round trip of about 45 miles, night after night for a year. If there had been a hospital in Telford then, we would have benefited enormously as a family. We have come a long way since those days. The health service review does not threaten to take away the excellent hospital, Princess Royal, which serves my constituents, but I am going to fight to get the best deal that I can for local people, because I know how important that hospital is.

For me, the argument is fairly simple. It relates to the second guiding principle that I laid out earlier: proposals for the local health service must make sense to the communities they serve. Telford is the largest population centre in the county, with approximately 133,000 residents; Shrewsbury has approximately 67,000 residents. Moreover, Telford is a growing town, and it is about time that the consultants and health managers recognised that fact. By 2026, at least 26,500 new homes will have been built in the borough of Telford and Wrekin, and that figure could expand to over 30,000 in the current review. Telford could easily grow to become a town of 200,000 people in the next two decades, and we need hospital services to reflect that fact.

In Telford and Wrekin, 21.4 per cent. of the population live in areas classified within the most deprived areas of England, compared with 3 per cent. for the rest of Shropshire. In Telford and Wrekin, 24.5 per cent. of

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children aged nought to 15 live in deprivation, which is higher than the national average; in Shropshire, the figure is 13.2 per cent. Life expectancy is lower in Telford and Wrekin, and our public health indicators are worse than in the rest of the wider Shropshire area. Car ownership levels are also lower in Telford and Wrekin.

That brings me to the effective catchment population figures for the two main acute hospitals. That information is on page 39 of the clinical leaders forum report, and it has been produced using drive-time data adjusted to reflect market share. Even if we include patients from Montgomeryshire, there are 224,838 people in the Princess Royal hospital catchment and 191,267 in the Royal Shrewsbury hospital catchment. Those of us from Telford want the county's main accident and emergency department to be located at Princess Royal, along with in-patient children's services.

On all the social indicators, anyone can see the logic of structuring services around the Telford site. To put it bluntly, services should not be based on how the county looked 50 years ago or even 10 years ago—they should be based on how it looks now and how it is going to look. If that means moving services to focus on Telford, then so be it. This process is basically about what services are available for those of us who live in Telford and those of us in the east of the county. The issue is too important for us to get bogged down in political squabbling, because we all need to work together to get the best deal for Princess Royal hospital.

Princess Royal hospital is not doomed, and we need to campaign in a positive manner—the people of Telford deserve nothing less. That is why, in the new year, I will launch an "I'm backing Telford hospital" petition campaign to show local health chiefs the importance of our local services. That will give my constituents the chance to show their support for the Princess Royal hospital and the staff who work there. As I said, Telford people deserve nothing less.

9.44 pm

The Minister of State, Department of Health (Dawn Primarolo): I congratulate my hon. Friend the Member for Telford (David Wright) on securing the debate and on championing an important issue for Telford and the surrounding area. Yet again this evening, he has eloquently and clearly put his case on behalf of his constituents. I am especially pleased to join him in acknowledging the progress that has been made in the past decade to raise the national health service from the ashes of under-investment and neglect. I join him in paying tribute to the hard work and dedication of health service staff throughout Shropshire, which has experienced some fantastic advances in local health care.

Shrewsbury and Telford is ahead of the national target for 98 per cent. of patients to be seen within four hours in A and E. The trust is on course to deliver by the end of December the 18-week target for GP referrals for treatment. This year, the Healthcare Commission ranked the maternity services at Shrewsbury and Telford as best performing. It is right to applaud those achievements, but, as my hon. Friend acknowledges, we must also look forward, especially to the way in which we will build on the progress in the face of new challenges.

Mr. William Cash (Stone) (Con): As someone whose family lives in Shropshire, I have a direct interest in the matter and also in the confidentiality of the information that is available to my Member of Parliament, my hon. Friend the Member for Ludlow (Mr. Dunne), in the event that something occurs that requires my having to supply him with confidential information. I have seen the proposal for the Government's motion regarding the Speaker's Committee on the search of the parliamentary estate—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman should not try to intervene in an Adjournment debate in the way in which he is choosing to do. The Adjournment debate is the personal possession of the hon. Member who is given the opportunity to raise the matter. The hon. Member for Stone (Mr. Cash) was not here to listen to the speech of the hon. Member for Telford (David Wright) and I therefore suggest that he is out of order in seeking to intervene.

Mr. Cash: On a point of order, Mr. Deputy Speaker. I was the only person in the House when the Minister got up to speak.

Mr. Deputy Speaker: The hon. Gentleman should not quibble. He is taking valuable time out of an important Adjournment debate for the hon. Member for Telford.

Dawn Primarolo: Thank you, Mr. Deputy Speaker. As my hon. Friend knows, an ageing population, heightened public expectations, new technologies and treatment and the changing profile of the disease burden place new demands on health services throughout the country. As he said, health services in Telford face particular pressures as the local population changes and expands.

We expect the numbers living in Telford and Wrekin to rise by 17 per cent. by 2022, requiring more than 26,000 homes to be built and a decisive shift in local services to accommodate an ageing population. That is the debate currently happening in Telford. The county-wide strategy, developing health and health care, shows how the local NHS must evolve over the next five years to meet the new challenges.

As my hon. Friend acknowledged, the recommendations take in the views of health care professionals, local authorities, community and voluntary organisations and patients, reflecting the broadest range of expertise and opinion. As he said, it contains plans to provide an increasing range of services in community settings, ensuring that people receive treatment, wherever possible and appropriate, close to their homes.

The key themes in the strategy document, as in others being developed throughout the country, are sustainability, choice and quality. We are talking about taking a hard look at local services and exploring how we can future-proof them against changing local needs without compromising patient care, as my hon. Friend articulated so clearly.

My hon. Friend raised concerns about the future of two hospitals serving Telford and Shrewsbury. The report says that the vast majority of health care services at the Royal Shrewsbury hospital and Princess Royal hospital can and should remain there in the medium term. However, the report also expresses concerns that the current model is unsustainable. There is a particular issue concerning the availability of specialist clinicians and, as the population changes, the risk that patient safety could be jeopardised.

As my hon. Friend said, the report sets out four options, each of which examines how accident and emergency, maternity, neonatal, in-patient paediatrics and urology services could be provided to reduce patient risk and ensure the highest quality of service for local people. The focus of any future consultation will be about ensuring that care is provided as close to home as possible, with 24/7 access and appropriate support.

Similarly, as my hon. Friend will know, we would expect any settlement for maternity and neonatal services to be in line with the Department's framework document "Maternity Matters", which makes it clear that maternity and neonatal care must be well co-ordinated and focused once again on patient safety and the highest standards of care. The point to stress is that the proposals are about specialisation and providing a better quality of service to patients.

I know that my hon. Friend is particularly concerned about the A and E provision available to his constituents. I agree with him that it is paramount that there should be adequate coverage across Telford, Shrewsbury and Shropshire. I know that local health services are working closely with stakeholders, clinicians and the public to ensure that that is the case. I am sure that my hon. Friend would agree that although coverage is an important factor in A and E services, patient quality and safety are even more paramount. He and I want patients to get the right treatment as quickly as possible. Patient safety is always paramount.

I understand that such issues are sensitive. It is therefore important to stress that the strategy document to which we are referring is by no means the final verdict. Rather, it looks at options. I want to be clear with my hon. Friend and his constituents: no decision has been made about the future direction of health services in Telford, and there are no current plans to close local A and E services. If the NHS organisations in Shropshire and the strategic health authority consider it appropriate to pursue one or more of the four options, a full impact assessment would be drawn up with costings, followed by further public and stakeholder engagement and an NHS consultation next spring.

I know that my hon. Friend appreciates that we are a long way from any action being taken and that, in securing this debate, he recognises that there will be other opportunities for him and his constituents to influence the debate before any decisions are taken. Until we have a proposal in place for consideration, I hope that he will accept that none of us should jump to hasty conclusions. I entirely understand his frustration in wanting to see the issues finally settled for the benefit of his constituents, following what he has described as a long and frustrating series of considerations. We have made it clear, in the next-stage review, that patient quality must be the driving force in a modern NHS. In Telford, as in the rest of the country, I expect any changes to support that guiding principle. They must be clinically led and focused squarely on the best outcomes for patients. I do not expect any changes to be made that will compromise the safety of my hon. Friend's constituents or the quality of care that they receive.

My hon. Friend has put his case clearly today, and I know that he will put it again and again. He is quite right to do that on behalf of his constituents. Telford's health services will need to adapt to meet the region's changing needs, but any changes that are considered should, as I have said, improve the quality of treatment, not reduce it, and should have the full support of those whom they seek to serve. I know that he, in advancing his case, will use every opportunity to make sure that his constituents' voices are heard.

Question put and agreed to.

9.56 pm

House adjourned.

House of Commons

Thursday 4 December 2008

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Business of the House

10.33 am

Mrs. Theresa May (Maidenhead) (Con): May I ask the Leader of the House to give us the forthcoming business?

The Leader of the House of Commons (Ms Harriet Harman): Mr. Speaker, you informed the House on Wednesday of the subjects for debate on the Queen's Speech. The business for next week will be as follows:

MONDAY 8 DECEMBER—Business of the House motion, followed by proceedings on a motion to establish a Speaker's Committee on the search of offices on the parliamentary estate, followed by continuation of the debate on the Queen's Speech. The subjects for debate, as you announced, Mr. Speaker, will be employment, universities and skills, and housing.

TUESDAY 9 DECEMBER—General debate on European affairs.

WEDNESDAY 10 DECEMBER—Continuation of the debate on the Queen's Speech. Foreign affairs and defence will be debated.

THURSDAY 11 DECEMBER—Continuation of the debate on the Queen's Speech. Health and education will be debated.

FRIDAY 12 DECEMBER—The House will not be sitting.

The provisional business for the week commencing 15 December will include:

MONDAY 15 DECEMBER—Conclusion of the debate on the Queen's Speech. The economy, pensions and welfare will be debated.

TUESDAY 16 DECEMBER— Estimates (1st allotted day). There will be a debate on energy prices, fuel poverty and Ofgem, followed by a debate on dental services. Details will be given in the *Official Report*.

[The details are as follows: Energy prices, Fuel poverty and Ofgem (11th Report from the Business and Enterprise Committee, HC 293; Government response - 7th special Report HC1069; and further Oral Evidence of 24 and 25 November); and Dental services (5th Report from the Health Committee, HC 289; and Government response—Cm 7470).]

At 10 pm the House will be asked to agree all outstanding estimates.

WEDNESDAY 17 DECEMBER—Third Reading of the Banking Bill, followed by motion to consider the Value Added Tax (Change of Rate) Order 2008.

THURSDAY 18 DECEMBER—Motion on the Christmas recess Adjournment.

I should also like to inform the House that the business in Westminster Hall will be:

THURSDAY 18 DECEMBER—A debate on the annual report from the Foreign Affairs Committee on human rights.

Mrs. May: I thank the Leader of the House for giving us next week's business. I have some serious points to raise about the business next week, but before that there are some issues that I want to raise relating to matters outside the House.

First, I am sure that hon. Members in all parts of the House are concerned about the latest tragic news from Zimbabwe, so will the Leader of the House make sure that before the Christmas recess the House is informed about steps being taken to resolve the political crisis in Zimbabwe and to ensure that those innocent people are given the help that they desperately need?

Yesterday the Prime Minister announced a new scheme to help home owners who have lost their jobs and are fearful of losing their homes too. Before we debate housing next week, will the Housing Minister make a statement on the details of the scheme, setting out how it will work, who it will help and which lenders are signed up to it?

With only eight sitting days left before Christmas, will the Leader of the House give us a date for the Chancellor's oral statement to the House on Equitable Life?

I turn to the business for next week. Mr. Speaker, we welcomed your statement yesterday on the search by police of the office of my hon. Friend the Member for Ashford (Damian Green) and seizure of equipment and material from his office, and welcome the decision to set up a Speaker's Committee to look into the matter. I remind the Leader of the House that in his statement yesterday, Mr. Speaker said that the Committee was

"to report as soon as possible."—[*Official Report*, 3 December 2008; Vol. 485, c. 3.]

The details were to be set out in a Government motion.

Today we have that Government motion. It bears no resemblance to the statement by Mr. Speaker and no resemblance to what the House understood would be an immediate and speedy inquiry into the police action. Far from an immediate inquiry, the motion says that the Committee will immediately adjourn and will not meet not just until after the police inquiry is finished, but until any criminal proceedings are finished. In other words, it might not meet for months. And the Committee is to reflect the balance of the House. In other words, it will be dominated by the Government. Does the Leader of the House not accept that it is in the Government's own interests to ensure that there can be no suggestion that there is interference in the work of the Committee by the Government?

I am sure the Leader of the House, like the Prime Minister yesterday, will hide behind the need not to affect the police investigation, but does she not accept that there are different issues at stake? The police investigation is into the leak of information from the Home Office. The Speaker's Committee will consider the seizure by police of material from the office of a Member of the House and police interference with the ability of a Member of the House to do their job. At heart lies the relationship between a Member and their

[Mrs. May]

constituents, who rely on the confidentiality of any information that they give us or material that they share with us.

The matter raises issues of concern across the whole House but, typically, the Government are curtailing debate to three hours, including debate on the business motion. We should have a full day's debate on this matter. Of course, we should not lose a day's Queen's Speech debate on education, skills and housing, so will the Leader of the House change the business and give us a full day's debate on the Speaker's Committee motion, another full day's debate on education, skills and housing and let the Queen's Speech debate go on a day longer?

Yesterday, Mr. Speaker made it clear that in future a warrant will always be required when a search of a Member's office or parliamentary papers is carried out. The Prime Minister refused to agree with that. Does the Leader of the House agree with that new procedure? Yesterday, the Prime Minister refused to say that he regretted that a Member's office was searched without a warrant. Last night on television, the Leader of the House also refused to do so. Will she now tell the House that she does regret the fact that a Member's office was searched without a warrant?

In relation to the confidentiality of constituents' business, can the Leader of the House confirm that to access the electronic files and e-mails of my hon. Friend the Member for Ashford, the police would have gone into the parliamentary server and on to the shared drive, and will therefore have been able to access all hon. Members' e-mails and files? Can the Leader of the House give an assurance that no other hon. Member's files or e-mails were accessed by the police?

Finally, the Home Secretary is making a statement on this matter this morning. However, the Home Office reportedly passed responsibility for the leak investigation to the Cabinet Office. When will the Minister for the Cabinet Office come to the House to make a statement setting out what he knew about the matter and his involvement in it? At the heart of this issue lies the ability of Members of this House to do their job and represent their constituents. It is the job of the Leader of the House to protect the interests of this House. The motion for Monday's business manifestly fails to do so; the Leader of the House now needs to think again.

Ms Harman: The right hon. Lady raised the question of Zimbabwe. There is a state of emergency in that country because of the cholera epidemic, and I am sure that that issue will be very much on Members' minds next Wednesday when we have the Queen's Speech debate on foreign affairs.

On housing, the right hon. Lady mentioned the Government's announcement about additional help so that people whose income is affected by the global economic circumstances affecting the economy of this country should not have to fear that, as a result, they will face repossession. She will know that what was announced yesterday is part of a number of measures. One is that if people lose their jobs, they will be able to look to social security to help them with the interest payments on their homes; that has been increased to cover mortgages of up to £200,000. It has been brought forward to January, and will be available after 13 weeks instead of 39 weeks. She will also be aware that the courts are operating on a protocol that repossession must be granted only as a matter of absolute last resort, and that the banks are agreeing that they will not start proceedings until six months after the relevant person falls into arrears; previously, the period was three months.

In respect of the arrangements announced by my right hon. Friend the Prime Minister yesterday, they are a further Government guarantee to protect people. People will not lose their homes if their income falls because they are put on short time or lose their jobs. The arrangements are by way of a Government guarantee to banks in order that they should allow interest deferral for a period of two years. Further details are being worked up and will be made available to the House.

The right hon. Lady raised the question of Equitable Life, and a statement on that will be made before Christmas—*[Interruption.]* The Prime Minister said yesterday that it would be made before Christmas.

The right hon. Lady mentioned the motion that I have laid before the House to facilitate debate on Monday. It was tabled yesterday and is available to Members. The business motion is amendable and the motion is amendable. I would say that there are four principles that are important for us all to—

Hon. Members: Cover-up!

Mr. Speaker: Order.

Ms Harman: There are four principles that, as Leader of the House, I strongly support. The first is that Members should be able to get on with their job as Members of Parliament, the job to which they have been elected, and that the Opposition must be able to get on with their job of holding the Government to account—that is a job not just for Opposition Members, but for Government Back Benchers as well.

The second principle is that Members are not above the law, and the third principle is that we should support the operational independence of the police. It is very important for hon. Members to bear that in mind at all times—including later today and on Monday.

I add a fourth principle that I hope that the House would support: the impartiality and professionalism of civil servants and the civil service and the upholding of the civil service code. I will not respond to the right hon. Lady's invitation to comment on the police investigation—that would, in my view, invite me to interfere with the police carrying on their job in respect of a current investigation.

The security of hon. Members' e-mails is a security matter and therefore a matter for the House authorities.

Mr. Gordon Prentice (Pendle) (Lab): Will the House be able to add names to the Speaker's Committee or leave names off? Will Members be able to apply to join the Committee, because I would rather like to be a member? *[Laughter.]*

Mr. Speaker: Order. I will put the hon. Gentleman's name on the waiting list.

Ms Harman: As I said before, the motion will be amendable.

Simon Hughes (North Southwark and Bermondsey) (LD): I thank the Leader of the House for her statement. I also thank her for the fact that we know that we will have a statement by the Home Secretary today and the debate on Monday. I appreciate that outside the House people are concerned about their homes, jobs and finances, but these matters are to do with the House and its business. I will work on them with my colleagues in the Conservative party and in other parties, and with Labour Back Benchers, to ensure that the rights and privileges that we have on behalf of our constituents are upheld, I ask these questions, or make these comments, in that context.

First, let me say to the Leader of the House that your statement yesterday, Mr. Speaker, was helpful but made it absolutely clear that somewhere among the authorities of this House and/or the police there was a fundamental failure to protect the rights and interests of our constituents. We have great respect for you, Mr. Speaker, for the Serjeant at Arms, for the Leader of the House and for the police—both for the offices and the persons—but there can be no escaping the fact that we must have accountability for the failures that meant that police came into this building without a warrant. That is unacceptable, and I hope that the Leader of the House accepts that. Although she appears, understandably, to be separate from this issue, she has the same duty as we do in making sure that the rights and liberties of all Members of Parliament are upheld, and that if Officers of the House, however eminent, do not do that, they are held to account. I cannot say otherwise, because it is really important that we do that.

Let me also say that the police, whom we respect, have a duty to be respectful of the job that we do on behalf of our constituents, and if they have made mistakes, then they, too, must be held to account, because they are not above the law either; nor are they above understanding the constitutional position that they have in relation to this place.

Secondly, I will not stand up here and support civil servants acting improperly—I share the Leader of the House's view about that—but the Government have failed to bring a civil service Bill before Parliament, although they have had opportunities to do so since 2004, when we had a draft Bill. May we have an assurance that in this Session we will have a civil service Bill so that we can legislate to put the rights and responsibilities of civil servants on to a statutory footing, for which we have argued for a very long time?

The Leader of the House announced that the week after next we will have a debate on the prayer that my hon. Friends and I have tabled on the VAT increase. It is nonsense that the Chancellor can come to Parliament and make a pre-Budget statement that is actually a Budget and that has immediate effect the following week—on 1 December, when the tax changes were implemented—yet Parliament has no say in that decision. Last year, the Prime Minister said at the launch of his leadership campaign:

> "I want to build a shared national consensus for a programme of constitutional reform that strengthens the accountability of all who hold power".

I put it to the Leader of the House that he is not succeeding if he brings measures to Parliament whereby Parliament has no right to vote on money spent and money raised. Unless this Parliament can take some of its powers back and manage the spending and raising of money, we are in trouble, and we are not doing our job.

Lastly, I put this point to the Leader of the House throughout the last Session, and she was sympathetic in words but not yet in action. We have a relatively short legislative programme. During the previous Session, week after week, there was no time for amendments or new clauses tabled by her colleagues or those in other parties to be debated. Will she today give an undertaking that all legislation this year will be properly debated and that there will be a new procedure, like that of many Parliaments, through which a business committee is established so that Parliament can decide its business, not the Government? We need less power with the Executive and more power with Parliament and the people, and unless she can deliver that, she and her colleagues will fail the country badly.

Ms Harman: I take it that the hon. Gentleman was saying that we should have cross-party support for the four principles that I have set out as Leader of the House—the principles of MPs being able to get on with their job, the police being operationally independent, the impartiality of the civil service and MPs not being above the law. We should not pick or choose one or the other of those four principles for our convenience. It is incumbent on this House to support all those principles and make sure that we get the balance right. I know that the hon. Gentleman understands and reflects deeply on constitutional issues, and he will recognise that we need a cross-party, whole-House approach to the question of the four principles, not a party political divide.

The hon. Gentleman mentioned the civil service code, which we support, and we also introduced the Public Interest Disclosure Act 1998 in order that there should be provision for civil servants who felt that it was on their conscience to disclose information in the public interest to give out information.

The hon. Gentleman talked about all legislation being properly debated. It is my concern to ensure that Bills are in as good an order as possible before they are introduced to the House, so that amendments can only be those introduced as a result of debate in the House. I share the view of the House, and support it in its concern, that policy should be established clearly in advance so that a Bill is brought to the House in as complete a form as possible. We always have to introduce amendments if they have been tabled in another place or by Back Benchers from across the House, but I agree that it is my responsibility to ensure that all legislation is properly debated.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. and learned Friend agree with me and most Members of this House about the importance of the independence of Members of Parliament and the way in which they should be allowed to carry on with their work? Many of our constituents will not forgive us if we get this matter out of proportion but accept that we are in the midst of a global economic meltdown, and my constituents would be very displeased if we were distracted from the main purpose of this House, which is making sure that the people of this country survive and thrive in this global economic turmoil.

Ms Harman: I agree with the sentiments that lie behind my hon. Friend's points. We have to have a proper focus on the four principles that I have set out today. They are important constitutional principles, and we should guard them jealously and properly. However, there are also important issues on a daily basis for our constituents throughout the country who are worried about their jobs, their businesses or their homes. The business of Government is to ensure that we act and do everything that we can against a background of a global economic crisis. We need to ensure that we give people real help now, and more than that, we must ensure that the economy in this country is in a position to move forward when the downturn ends.

Mr. Richard Bacon (South Norfolk) (Con): Does the Leader of the House agree that our constituents should be concerned if they are subject to unlawful search and seizure? Does she agree that newspaper offices should be concerned if they are subject to unlawful search and seizure? Does she understand that if Members of Parliament cannot be protected from unlawful search and seizure, why should anyone else think that they can be either? That is the key point. When—as, eventually, it surely will—the heat goes out of this episode, during which, I am afraid, there has been disgraceful conduct, we must appreciate that the key point is that our offices and the confidential communications from our constituents should be protected from unlawful search and seizure.

I invite the right hon. and learned Lady to make a constructive response, so will she tell me what she thinks that we need to do—we do not need to wait for the Committee, which, as we have just learned, may not meet for months—to ensure that confidential correspondence from our constituents is protected from unlawful search and seizure?

Ms Harman: I think that no one, whether hon. Members or ordinary citizens of this country, should be subjected to unlawful search and seizure. The issues that the hon. Gentleman raised will be debated next Monday. I remind hon. Members that, although we must ensure that we protect the privilege of Parliament and the rights of Members of Parliament to get on with their job without unwarranted interference from the law, we must also respect the operational independence of the police.

John Reid (Airdrie and Shotts) (Lab): First, the Leader of the House is correct to base the matter on principles other than those that protect only our interests. The whole picture must be seen. Secondly, will she urge hon. Members to avoid, if possible, making blatantly prejudicial statements, which imply that there is a prima facie case of unlawful activity by the police? That is untrue and will prejudice the investigation. Thirdly, we must remember that all the parties to the dispute—the House authorities, the Home Office, the Cabinet Office, Members of Parliament and the police—have the opportunity to state their case except the police. We should give them the benefit of the doubt until the investigation has been carried out rather than prejudicing the inquiry before it has begun.

Ms Harman: I strongly agree with my right hon. Friend. It is incumbent on us all not to do anything that would prejudice the prosecution—if there is a prosecution. It is also incumbent on us all to do nothing that might prejudice the defence. We all have a responsibility. There is currently a police investigation and there are suspects. It is not for one side of the House to be the prosecution and the other to be the defence. The matter should not be party political—[Hon. Members: "Quite right."] I am glad that I have the whole House's support on that. It should not be party political—it is a matter for the criminal justice system. When there is a current police investigation, none of us should take sides.

Sir Nicholas Winterton (Macclesfield) (Con): Does not the Leader of the House accept that the financial crisis is totally separate from what occurred last Thursday? It is wrong to keep saying that the House should debate the financial crisis and not matters relating to the House's integrity. Unless the House has independence and integrity, it cannot deal with the matter properly. Will she think again about providing only a three-hour debate on Monday? As far as I am concerned, we have a mission to try to restore some integrity and independence to the House. How can we do that unless a wide range of Members from all parties can participate in the debate? Will she provide a full-day's debate? That was my interpretation of Mr. Speaker's responsible and helpful statement yesterday.

Ms Harman: I will seek to ensure that the House has adequate time to debate important issues such as the economy, jobs, small businesses and people's homes and focus appropriately on what I have acknowledged to be important constitutional principles. We must have time to consider both and strike the right balance between them. As I said, the business of the House motion is amendable.

David Taylor (North-West Leicestershire) (Lab/Co-op): Is it in order to drag the discussion back to items that are a high priority for millions of UK citizens? I refer to those persons with disabilities. I tabled early-day motion 2191 in the previous Session and referred to it in business questions, when I asked about the ratification of the United Nations convention of the rights of persons with disabilities.

[That this House is concerned by the delay in the Government's ratification of the United Nations Convention on the Rights of Persons with Disabilities; notes that to date 41 signatories have ratified this progressive international human rights instrument, including Australia, Austria, Bangladesh, China, Cuba, India, Kenya, New Zealand, Niger, Paraguay, Qatar, South Africa, Spain and Tunisia; believes that the UK's delay in ratification compromises the Government's existing achievements and objectives in tackling disability discrimination; and calls upon the Government to ratify the Convention without reservation or further delay.]

The Leader of the House gave me a helpful answer and the strong impression that ratification would be announced before the Christmas recess. Can she confirm that and say what the form of that ratification will be? Will it require primary legislation? If so, was that announced in an appendix to the Queen's Speech yesterday, because I could not find it?

Ms Harman: The rights and opportunities of, and support for, people with disabilities are very much part of the Government's legislative programme, in particular

the Equality Bill and the public sector duty on all public authorities to support the inclusion of people with disabilities, protect them from discrimination and ensure that they have the right levels of support. As for my hon. Friend's question about ratification, I will ensure that the Secretary of State for Work and Pensions writes to him about that.

Mr. David Heath (Somerton and Frome) (LD): I had hoped that after your helpful statement yesterday, Mr. Speaker, the Leader of the House would have taken the opportunity to bring the parties together on the issue. Nevertheless, the motion before us today appears to be taking the mickey. Having said that, let me return to the point that my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) raised, which concerns the other constitutional issue that we should be discussing. Our primary responsibility in the House is the control of supply—the control of taxation—yet just before Prorogation, we were presented not just with a Budget, but to all intents and purposes with a radical Budget, on which we had no debate except for your agency, Mr. Speaker, and no opportunity to vote. Is the House doing its duty on behalf of the British people—a duty set out in the Bill of Rights—to ensure that there is no taxation without parliamentary consent?

Ms Harman: We have many occasions to debate the economy and it is right that we should do so. As for the motion, it will be debatable on the proceedings on a motion to establish the Speaker's Committee. That will be a business of the House matter that will be debated and voted on by hon. Members on Monday.

Fiona Mactaggart (Slough) (Lab): In reply to an Opposition Member, the Leader of the House said that we would have the opportunity to discuss Zimbabwe on Wednesday. I am more concerned about the plight of the citizens of that benighted country who are stranded in Britain without having had their applications for asylum granted, but whom it is not planned to return to Zimbabwe. They are starving. Could we not have an announcement before Christmas on arrangements to allow them to work?

Ms Harman: I think that my colleagues in the Home Office are very well aware of the difficulties for people from Zimbabwe, to which there are no forcible removals, and whether they are in a position to support themselves. I know that my colleagues will have heard the points that my hon. Friend has made, but in any event I shall refer her points to them.

Mr. Michael Howard (Folkestone and Hythe) (Con): Since the narrowly drawn terms of reference for the committee of senior Members that the Leader of the House has set out seem to relate entirely to the future, what conceivable justification is there for providing that it should not start its work until the criminal investigation has concluded?

Ms Harman: The right hon. and learned Gentleman, being a former barrister and a former Home Secretary, will know that it is very important that we prejudice neither the prosecution nor the defence in this case. Mr. Speaker has said that the arrangements for a search of the House in the future are already changed. It is important that we discuss and ensure that the constitutional principles, all four of which need to be upheld by the House, are the subject of reflection. The Committee will undoubtedly be part of that, but it is not wise to set up a concurrent investigation when a police investigation is under way. If the right hon. and learned Gentleman reflects on that even for a few moments, he will know that I am right.

Mr. David Drew (Stroud) (Lab/Co-op): I thank my right hon. and learned Friend for proving all the doubting Thomases wrong: we did bring forward in the Queen's Speech the marine and coastal access Bill, which is long overdue. However, it was somewhat disappointing that the floods and water Bill will be published only in draft form. Will she seek early publication of that Bill, so that we can undertake pre-legislative scrutiny? The Bill is important for those of us in certain parts of the country and we need it at the earliest opportunity.

Ms Harman: Yesterday, I wrote to the Chair of the Liaison Committee about which Bills should be subject to pre-legislative scrutiny. I take my hon. Friend's point that the floods and water Bill should be subject to such scrutiny.

Sir Michael Spicer (West Worcestershire) (Con): Why have the Government overruled the Speaker's statement that he alone would choose the membership of his Committee?

Ms Harman: The motion says that the Speaker will choose the members of the Committee according to the composition of the House.

Mary Creagh (Wakefield) (Lab): May I add my voice to that of my hon. Friend the Member for Stroud (Mr. Drew), as many of my Wakefield constituents are facing their second Christmas outside their home, following the devastating floods in 2007 and the repeat floods of this summer in 2008? I know that this is a real issue for right hon. and hon. Members who represent Hull as well, so may we have a debate, perhaps in Government time, or pre-legislative scrutiny to consider what measures can be brought in to manage better the risk of flooding in our areas, particularly in Yorkshire and in the west country?

Ms Harman: Those matters might well be debated and considered alongside the marine and coastal access Bill.

May I take the opportunity to remind Members that the motion on the Speaker's Committee clearly says:

"That the Committee consist of seven members appointed by the Speaker"?

Mr. William Cash (Stone) (Con): The Leader of the House wrote to me yesterday asking for my views on these constitutional questions—and I hope that I will not get arrested for disclosing that fact. In addition to all the other matters that have already properly been raised, does she agree that a Committee of this kind should be chaired by a member of the Opposition? Furthermore, in respect of her remarks on the criminal law, does she accept that the rules and precedents of this House already adequately deal not only with concurrence, but with the whole question of the law and custom of this House in relation to criminal matters?

Ms Harman: I am not quite sure about the hon. Gentleman's final point. I know that the hon. Gentleman, as a former shadow Attorney-General, has great experience and has reflected at length on these issues, but if he is suggesting that we can with impunity have a concurrent investigation by the House of something that is subject to a police investigation, I am sure that he would not want to say that.

Sandra Gidley (Romsey) (LD): Many of my constituents, particularly those who work for Ford, are worried about whether they will still be in their jobs after Christmas. Given that today's figures show a significant decrease in demand, will the Leader of the House find time for an urgent debate on the future of the British car industry to ensure that we have one at the end of this recession?

Ms Harman: The Secretary of State for Business, Enterprise and Regulatory Reform has said that we are mindful to take whatever action the Government can take to support manufacturing industry and the important manufacturing skills base in our economy during the global downturn. I will draw the hon. Lady's comments to his attention. There will be an opportunity to debate those issues on Monday 15 December as well as at next Thursday's business questions.

Sir George Young (North-West Hampshire) (Con): On Monday, when the Leader of the House moves the motion in her name on the Speaker's Committee, will she be able to explain to the House how this Committee, which will have no powers whatever, will be able to carry out the task outlined by Mr. Speaker yesterday more effectively than an existing Committee of the House, which has all the necessary powers, has no party majority and was specifically set up to look into issues of privilege?

Ms Harman: I have tabled a motion to facilitate debate of the issue that arose in the Speaker's statement—that there should be a Speaker's Committee to which these matters should be referred rather than to the Standards and Privileges Committee, which the right hon. Gentleman chairs. That is a matter for the Speaker.

Mrs. Ann Cryer (Keighley) (Lab): Will it be possible in the near future to have a debate on the requirement for Criminal Records Bureau checks for those working with children being extended to madrassahs? In my view, the current situation discriminates against Muslim children.

Ms Harman: Obviously, if any child care services are being provided in madrassahs, they are subject to inspection and registration. If my hon. Friend is identifying the fact that such provision is being made, in effect, in madrassahs but is not coming within the inspection regime, I will invite my right hon. Friend the Secretary of State for Children, Schools and Families to look into that and liaise with her on it. We need to ensure that all children are protected.

Mr. Andrew Mackay (Bracknell) (Con): Yesterday, Mr. Speaker, you obviously took great trouble to be very clear and precise about the nature of Monday's debate. May I ask the Leader of the House why she has so totally ignored the Speaker's advice?

Ms Harman: I have tabled a motion for debate by the House. It is amendable, and I would say to the right hon. Gentleman that he, too, should be supporting all four principles to which I have referred. I do not want to be the only person besides you, Mr. Speaker, who is concerned about and alive to the issue of the sub judice rule. I would say that it is quite wrong to suggest that I have any other motive than to protect those four principles, one of which is the sub judice rule.

Andrew Mackinlay (Thurrock) (Lab): Can the Leader of the House help to clarify one point that has troubled me overnight? *[Interruption.]* No, it is a serious point. A certificate was signed by the Serjeant at Arms waiving the need for a warrant. Surely the only person who could have done that is the hon. Member for Ashford (Damian Green). If somebody wanted to search the flat that I rent, my managing agent could not authorise that. Only I could, surely. Can we have some clarification of whether the only the person who can say, "Yes, you can come into my flat or my office," and authorise that is that person himself or herself? Is that not the case?

Ms Harman: My hon. Friend makes an important point about the question of the ownership of material, and also the premises, and of consent to enter them. Those are two different things. I would say that they might well bear examination, but I would counsel him, too, that examination should take place after the current police investigation is concluded. Those issues certainly should be looked at.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Yesterday, Mr. Speaker, you said to the House in your statement that to the Speaker's Committee should be referred the matter of the seizure by the police of the material belonging to my hon. Friend the Member for Ashford (Damian Green) and that the report should be done as soon as possible. Does the Leader of the House accept that the motion that she has placed before the House complies with the Speaker's statement in neither respect? It does not deal with the seizure of the material and it specifically prevents an early report.

Ms Harman: The right hon. and learned Gentleman is himself a learned Queen's Counsel and when he reads the motion he will understand exactly why I tabled it in the terms that I did. I seek to protect all four principles—important constitutional issues of great concern that arise from this matter. The motion does that.

Greg Mulholland (Leeds, North-West) (LD): Last week, we had the devastating coroner's verdict from the inquest on my constituent, Dr. John Hubley, who died as a result of "a catalogue" of failures at the Eccleshill independent sector treatment centre, described by the coroner as "mickey mouse" and "a recipe for disaster". Already, I have written to the Secretary of State for Health to ask for a full public inquiry, but as this matter has thrown up the issue of safety at independent treatment centres such as Eccleshill, will the Leader of the House find time for a debate on this to restore some confidence among my constituents, but also among the wider public, that it is appropriate to send NHS patients to that centre?

Ms Harman: Obviously, we want to make sure that there is absolute patient safety in the national health service, the private sector and independent treatment centres, and I will bring the hon. Gentleman's comments to the attention of my right hon. Friend the Secretary of State for Health.

Mr. Julian Brazier (Canterbury) (Con): While sharing the fury felt by colleagues in all parts of the House about the House's own issue, may I bring our attention back to the 100,000 workers in ports today, many of whom face redundancy? The woefully inadequate concession by the Government on the ridiculous, huge back-rating demand that has been put on hundreds of small businesses still leaves the directors in a position where they will be breaking the law if they continue to trade for more than another few weeks. May we have an early debate on this matter?

Ms Harman: We will have a debate on the economy on 15 December, at the conclusion of the debate on the Queen's Speech, and the hon. Gentleman can, no doubt, raise those matters then.

Mr. David Heathcoat-Amory (Wells) (Con): Yesterday's statement revealed that the police had been in possession of the computer of my hon. Friend the Member for Ashford (Damian Green) for four days, and they will therefore have been able to access the parliamentary information and e-mail system that contains files of constituency records held by all of us, including e-mails we may have exchanged with my hon. Friend, possibly on complaints against the police including named police officers. Has the Leader of the House urgently taken steps before next week's debate to retrieve any such information so that we can restore the confidentiality and integrity of exchanges between us and our constituents, and will she not shuffle off responsibility about this on to unnamed House officials and instead start to stand up herself for the rights of this House, Back Benchers and those whom we represent?

Ms Harman: Yesterday, Mr. Speaker addressed the question of the return of the seized material, and Members can rest assured that I will stand up for all the four principles—not just one, but all four—in respect of all parts of the House in this matter.

Dr. Julian Lewis (New Forest, East) (Con): I am sure that, like every other assiduous constituency MP, the Leader of the House has during the course of her parliamentary career frequently given absolute assurances to constituents who impart sensitive personal information to her that what they say will be covered as if it were the secrets of the confessional. In the light of recent developments, what advice can she give to Members as to what we should say to constituents who urge us to treat what they are about to impart to us with total confidentiality?

Ms Harman: The hon. Gentleman will know that, as was said by Members yesterday, we are not above the law; subject to the proper procedures and processes, we are subject to the criminal law.

Mr. Crispin Blunt (Reigate) (Con): Will the right hon. and learned Lady confirm that the statement on Equitable Life will be an oral statement and that, given its importance, it will be given by the Chancellor of the Exchequer, and can she tell the House what considerations led her to produce a motion that was inconsistent with Mr. Speaker's statement yesterday?

Ms Harman: The details of the statement on Equitable Life will come forth in due course and, as the Prime Minister said yesterday, before Christmas. I would expect it to be an oral statement. The hon. Gentleman adds to the complaints across the House about the motion I have tabled to facilitate a proper debate in this House; he, like other Members, can amend it if he so chooses.

Mr. Mark Harper (Forest of Dean) (Con): My right hon. Friend the Member for Maidenhead (Mrs. May) asked the Leader of the House whether the police had access to information pertaining not just to my hon. Friend the Member for Ashford (Damian Green), but to other Members on the House's IT systems. The Leader of the House tried to shuffle that responsibility off on to unnamed people, but she is a member of the House of Commons Commission, and she is therefore a member of the House authorities; and she is the only one whom we can bring to the Dispatch Box to answer questions. Members will want to know that their information is secure. A breach of that would be a breach of the Data Protection Act, which in itself would be a criminal offence. The Leader of House must take this matter seriously, and be able to answer, if not now then in the debate on Monday.

Ms Harman: Both the right hon. Member for Maidenhead (Mrs. May), who asked that question, and I are members of the Members Estimate Committee and the House of Commons Commission, and we are available to discuss any matter with the Speaker and advise him on any matter. Mr. Speaker has already made comments in his statement about the return of the computers.

Philip Davies (Shipley) (Con): May we have a debate on sentencing? On Saturday 29 November, a judge sent somebody to prison for six weeks for theft, yet, unbelievably and directly as a result of the early release scheme, the same offender came before the same judge three days later, on Tuesday 2 December, and was again charged with theft. Is it not a scandal that somebody can be sent to prison for six weeks by a judge and be out of prison within a few days, because of the early release scheme, free to commit the same offence? Should not the criminal justice system be focusing on sorting out this kind of scandal, rather than on a Member of Parliament going about his legitimate business?

Ms Harman: There will be a debate on justice and home affairs after the Home Secretary's statement today.

Mr. Peter Bone (Wellingborough) (Con): I listened very carefully to your statement, Mr. Speaker, and I was very encouraged by the fact that we are going to have a debate on Monday. We have learned, however, that it is to be a three-hour debate, so what will happen is that the Front-Bench spokespeople and senior Back Benchers will speak, but junior Back Benchers will not have an opportunity to do so. I fully support your efforts, Mr. Speaker—unlike some Members of this House.

[Mr. Peter Bone]

Would the Leader of the House please explain why the debate will be a truncated one, rather than a full day's debate?

Ms Harman: I tabled a motion to allow for three hours' debate. This was discussed in points of order yesterday and it has been discussed for the best part of 50 minutes today. I know that hon. Members will want to make speeches and put forward proposals, and the opportunity for debate will be on Monday.

Government Information (Unauthorised Release)

11.21 am

The Secretary of State for the Home Department (Jacqui Smith): With permission, Mr. Speaker, I should like to make a statement on the current police investigation into the unauthorised release of government information. As has been widely recognised across the House, some very important principles are at stake in this matter: that nobody should be above the law; that the police should have the operational independence to conduct their investigations without fear or favour; that Members of this House should be able to do their work and be able to hold the Government to account; and that the impartiality of the civil service should be protected. Members of this House will, of course, understand our obligation not to prejudice an ongoing police investigation, but I shall be as helpful as I can in my statement.

On 8 October 2008, following consultations with the Home Office, the Cabinet Office requested the assistance of the Metropolitan Police Service in investigating a series of leaks. That request was made by the Cabinet Office, as it has ultimate responsibility for the security and integrity of the working of government. No Cabinet Office Minister was involved in the decision. The request followed a number of internal Home Office leak inquiries, which had not identified the source of the leaks. There was concern that an individual—or individuals—in the Home Office who had access to sensitive material was prepared to leak that information.

Faced with what appeared to be the systematic leaking of classified information over a sustained period, given the damage that that was doing to the effective conduct of Government business and because of the sensitive issues, including national security, that the Home Office deals with, I agreed with the view of Sir David Normington, my Department's permanent secretary, that it was essential to request police assistance in identifying the source of those leaks. The sustained level of leaking that had already taken place clearly suggested that this could go on, would escalate, and that more information of greater sensitivity could potentially leak. *[Interruption.]*

Since the request for police assistance was made— *[Interruption.]*

Mr. Speaker: Order. Allow the Home Secretary to speak. The subject is important.

Jacqui Smith: Since the request for police assistance was made, the Home Office has co-operated fully with the police investigation. A full list of relevant leaks, including those involving highly classified material, was passed to the police for their consideration.

As acting commissioner Sir Paul Stephenson set out in his statement yesterday, after initial inquiries the Crown Prosecution Service was consulted. The police officers involved were satisfied that they had reasonable grounds to make an arrest of a junior Home Office civil servant. On 17 November, I was informed by Sir David Normington that an arrest of a Home Office civil servant was likely in the next few days. On 19 November, the Home Office civil servant was arrested on suspicion of misconduct in public office. On 27 November, the police arrested the hon. Member for Ashford (Damian

Green) on suspicion of conspiring to commit misconduct in a public office and aiding and abetting, counselling or procuring misconduct in a public office.

As the statement issued by Sir David Normington on 28 November made clear, he was informed by the police at about 1.45 pm on 27 November that a search was about to be conducted of the home and offices of a member of the Opposition Front Bench. Sir David was subsequently told that an arrest had been made. This was the first time that anybody in the Home Office was informed that a Member of this House was the subject of the police investigation. I have made it clear that neither I nor any other Government Minister knew until after the arrest of the hon. Member that he—or any other hon. Member—was the subject of a police investigation or was to be arrested. I hope that those who have asserted the contrary will now withdraw their claims.

Let me be clear that even if I had been informed, I believe it would have been wholly inappropriate for me to seek to intervene in the operational decisions being taken by the police. I will not do that and I should not do that. On 1 December, I spoke to the acting commissioner to reassure myself that the investigation was being pursued diligently, sensitively and in a proportionate manner—[HON. MEMBERS: "Sensitively?"] Sir Paul informed me—*[Interruption.]*

Mr. Speaker: Order.

Jacqui Smith: Sir Paul informed me of his intention to set up a review of the handling of the case to date, which I welcomed. The following day he announced that Chief Constable Ian Johnston would conduct that review. In that telephone call with Sir Paul I expressed my support for the operational independence of the police from political intervention—as I have done previously, as I have done since, and as I will continue to do.

Nobody in the House should doubt the sensitivity of the investigation or the importance of the issues involved. I welcome your statement yesterday, Mr. Speaker, and your decision to set up a Committee of seven Members of this House. Your statement also set out the circumstances in which the police asked for and gained consent to search the parliamentary office of the hon. Member for Ashford. I spoke to Sir Paul Stephenson yesterday evening to seek his clarification of those events. Assistant Commissioner Bob Quick has subsequently written to me to set out his understanding of the obligations the Met were under and his account of the steps they took. I am placing a copy of that letter in the Library. Sir Paul also assured me that Ian Johnston's review will cover those issues.

I wholeheartedly support the right of every hon. Member to do their job, to hold the Government to account, and to make available information that is in the public interest, but the systematic leaking of government information raises issues that strike at the heart of our system of governance. Such activity is not about merely creating political embarrassment, for me or for any other Minister. Such activity threatens the respected role of the civil service in supporting our democracy in a politically impartial, honest and professional manner, and it drives a coach and horses through the civil service code, which states that civil servants should act "in a way which deserves and retains the confidence of Ministers, while at the same time ensuring that you will be able to establish the same relationship with those whom you may be required to serve in some future government."

All of us, on both sides of the House, have a right to expect that our vital role should be protected, and we have a responsibility, too, to respect the law and uphold the proper workings of the civil service. I would be surprised—and indeed dismayed—if any hon. Member thought that that was not the case.

I commend my statement to the House.

Mr. Dominic Grieve (Beaconsfield) (Con): I thank the Home Secretary for previous sight of her statement. The issues at stake are indeed very serious. They involve basic ministerial oversight over counter-terrorism police operations against a Member of this House which were heavy-handed and incompetent at best, and at worst an unwarranted assault on our democracy—*[Interruption.]* Let us be equally clear what is not at stake. We can all agree that MPs are not above the law, and that the police have no place in politics. Nor does this have anything to do with national security. There is not the slightest evidence of that, and Her Majesty's Opposition—*[Interruption.]*

Mr. Speaker: Order. I now call for silence for the Opposition spokesman.

Mr. Grieve: There is not the slightest evidence of that and Her Majesty's Opposition take the integrity of official secrets as seriously as the Government, despite attempts by Government spokesmen to smear and spin to the contrary.

The Home Secretary has regularly briefed me and my predecessor on matters of national security. Can she name one occasion when she has raised any concern that her confidence has not been kept? Can she now confirm that no known leaks from her Department relating to national security involve my hon. Friend the Member for Ashford (Damian Green)?

This episode has nothing to do with national security and everything to do with political embarrassment. Nor is it about confidentiality in the workplace, matters for which employment law provides a perfectly adequate remedy. If there have been 20 leaks or more, as the Government are briefing, the problem extends well beyond any facts relevant to my hon. Friend. It heralds a systematic breakdown in trust between officials and Ministers, arising from the Home Secretary's willingness to conceal failings in her own Department on matters of manifest public interest.

The Home Office initiated the leak inquiry and knew that Opposition Members had commented on four disclosures reported in the media. Is it the case that for eight days after the arrest of Mr. Galley, the police were investigating my hon. Friend, but the Home Secretary had not the faintest idea about it? If she was cut out of the loop, was the Minister for the Cabinet Office or any other Minister or official there informed by the police that a Member of Parliament was the target of their investigation? If the Cabinet Office was kept updated, why was not the Home Secretary? Why was the Cabinet Office not kept updated if it had initiated the investigation?

[Mr. Grieve]

Were counter-terrorism police operating without any Home Office ministerial notification, oversight or accountability from start to finish?

The Home Secretary has stated—*[Interruption.]*

Mr. Speaker: Order.

Mr. Grieve: The Home Secretary has stated that she was unaware at any point before the arrest that any Member of this House was part of the police investigation. Can she clarify some details? What was the exact remit of the investigation requested by the Cabinet Office of the police? Was it strictly confined to a request to investigate the commission of a criminal offence, and will she now put a copy of the written referrals from the Cabinet Office to the police in the Library so that we can study them? When did she or her officials receive updates on the police investigation? Who provided them and what did they cover? Did she at no point ask who the subjects of the investigation were, because it is clear that in the early stages of the investigation she was kept informed? Did she ask any questions at all?

Does the Home Secretary still cling to her utterly flawed defence that there is nothing she could have said or done in advance of the arrest even if she had been aware? She undermined that implausible excuse on Tuesday by seeking assurances from the acting Metropolitan Police Commissioner that the investigation was being pursued diligently, sensitively and proportionately. If she can ask those basic questions after the arrest of my hon. Friend, why did she not ask questions before? She could have asked whether police had asked to interview my hon. Friend on a voluntary basis. She could have asked whether the deployment of more than 20 counter-terrorism officers to arrest a Member, search his offices, search Parliament and seize documents, phones and computers was proportionate and necessary. She could have asked whether the Director of Public Prosecutions had been consulted.

Did the police try to obtain a warrant to search the House of Commons office from a magistrate before they came to see the Serjeant at Arms, and if so, were they refused? Were the police acting in compliance with the Police and Criminal Evidence Act 1984 and its codes? I have to say that the letter from Mr. Quick on the subject is a masterpiece of obfuscation. Does the Home Secretary agree with him, or with you, Mr. Speaker, in your statement, that no proper statement of rights to refuse entry was given to the Serjeant at Arms beforehand? I am afraid that I have to say that Mr. Quick's letter and your statement, Mr. Speaker, are incompatible.

Of course Home Secretaries make statements about police operations. The right hon. Member for Norwich, South (Mr. Clarke) did so immediately after the 7/7 attacks, as did the Home Secretary herself after the Glasgow and Haymarket attacks. Based on her own practice, does she now accept that this can be done without prejudicing an investigation, and should be done in serious cases to maintain public confidence?

Finally, seeing what is now emerging, does the Home Secretary regret her wilful ignorance in this whole affair and the decision to wash her hands of the basic responsibilities that come with her office? Who is in charge of the police, if she is not?

Jacqui Smith: May I first draw the hon. and learned Gentleman's attention to the public statement of Sir Paul Stephenson on the subject of whether counter-terrorism police officers—as he described them—were involved in the operation? As Sir Paul Stephenson makes clear, following the reorganisation in New Scotland Yard of the previous special branch and the previous counter-terror branch they are now working together under the heading of the counter-terrorism command. As he pointed out, it is not accurate to claim that they were counter-terror police officers; nor, as he has made quite clear, was this a counter-terror investigation.

The hon. and learned Gentleman asserted several times that "there is not the slightest evidence". He does not know what evidence the police have. I do not know what evidence the police have—but I do know that it is wholly appropriate that the police should use their professional judgment to follow the evidence during the course of a police investigation without fear or favour. That comes to the heart of what appears to be a misunderstanding by the hon. and learned Gentleman and other Opposition Members about the difference between the operational independence of the police during an investigation and appropriate and important methods of accountability that, whether through the criminal justice system, the procedures set up by the House or the review that Sir Ian Johnston is carrying out, will appropriately report but will not interfere with the operational independence of the police. I made it completely clear in my statement that even if I had been informed about the investigation of a Member of this House I would have considered it wrong to intervene in that investigation. I am interested that the hon. and learned Gentleman does not seem to take the same view.

On the point about the subjects of the investigation and when I was informed, it seems sensible and obvious to me that I would have been informed about an investigation taking place within the Home Office and the potential arrest of a Home Office official, and I was. I was not informed about the investigation and potential arrest of a Member, and I hope that the hon. and learned Gentleman—although he has not taken this opportunity—will remove his continued assertion that I am not telling the truth.

On the point about whether any other Minister asked for or received specific assurances, I believe that I have made it clear that no other Minister did.

Finally, I think that the hon. and learned Gentleman would have more ably demonstrated that he believes that all the principles that I outlined are important if he had expressed any concern whatsoever about the nature of leaking from Departments. The Home Office deals with some of the most sensitive issues across Government. I believe that for a potential future Home Secretary to be so unconcerned—cavalier—about the leaking of information from the Home Office is a serious issue for the security of that information, for the impartiality of the civil service and for the good governance of this country.

Chris Huhne (Eastleigh) (LD): I am concerned at the new principle that the Home Secretary appears to be setting out that the leaking of information from the Government is in all circumstances something to be deplored. The reality is that the House's formal procedures for holding the Executive to account are so weak that

the hon. Member for Great Grimsby (Mr. Mitchell) has described them from the Government Benches as like "heckling the steamroller". In the circumstances where this Parliament is a constitutional poodle by comparison with other Parliaments in the western democratic world, it is essential that other means of having checks and balances are there.

The leaking of information has a long and honourable precedent. Let me, for example, cite the official in the Secret Intelligence Service, called Desmond Morton, who briefed the then Back Bencher, Sir Winston Churchill, about the gathering threat of German rearmament. That was an essential part of the pressure put on the appeasement Governments of the day to take account of the threat to national security. So even matters of national security may, it seems to me, be justified as leaks to hold the Government to account.

In this case, will the Home Secretary confirm that she was merely concerned about a potential breach of national security and that there were no actual breaches of national security? The elision in her answer was very clear to any Opposition Member, and she needs to clarify her position. She is also unclear in her statement whether Sir David Normington told her, after she was informed by the police, that there would be a search of the premises of an hon. Member and whether she was then concerned. If not, why not? Again, in her answer, she elides between the arrest and the search. Surely, if the police were informing her most senior official—I assume that her most senior official informed her—that, in fact, a search was impending, that should have been enough to ring alarm bells with the Home Secretary.

Does the Home Secretary agree at the very least that the police action in this matter should cause us, as a House, as a Parliament and as a legislature, to reopen the issue of taking away responsibility for the security of the House from the Serjeant at Arms, since a clear principle is at stake? Does she now agree that the muddle in which she has landed herself in this case should be clarified, not least with a parliamentary privileges Bill—as recommended by a cross-party Committee nearly 10 years ago—a civil service Bill to ensure that our civil service is as impartial as it should be, and is always protected from undue political pressure, and a Bill to restore protection for whistleblowers who act in the public interest? We need to bring back the protections for whistleblowers that the Government and their predecessor abolished.

Jacqui Smith: The hon. Gentleman started off with an impassioned defence of leaking. I have argued—and I think that I have made it clear in my statement today—that I believe that the role of Members of this Parliament in using information that they gain access to, certainly in some of the circumstances to which the hon. Gentleman has referred, has happened, should happen and will continue to happen. That is an important element in the accountability of Government in this country. But it is also absolutely right that, if civil servants believe that the activity of their Government Department is unethical or improper, they should have a route through which they are able to take that issue up. That is why the Home Office has a clearly communicated whistleblower policy through which civil servants are able to raise issues of concern, including externally with the Civil Service Commissioner, and why this Government have put in place the Act covering the disclosure of public information referred to by my right hon. and learned Friend the Leader of the House, to give further protection to individuals in those circumstances.

In this case, however, we were concerned about a potential systematic series of leaks. The original leak inquiries—which took place when it was not clear who was responsible, or whether it was one person or more than one—did involve, in the reference from the Cabinet Office, issues that related to national security, as of course does the work of the Home Office. For the hon. Gentleman to phrase his question as to whether we were "merely" concerned about a possible leak of national security, represents an underestimation of the significance of our role in safeguarding the information that we deal with.

In relation to the hon. Gentleman's specific questions about action between search and arrest, I was not informed about the search of the hon. Member's office until after both the search and the arrest had taken place.

Keith Vaz (Leicester, East) (Lab): I thank the Home Secretary for her very full statement. Of course I accept that she was not informed of this circumstance until after it had occurred. The first telephone call appears to have been made to the Mayor of London, and the second to Sir David Normington. The Home Secretary was then informed. This is the second occasion on which she and the Mayor have taken a different view on the issue of policing in London and, in my view, this does not bode well for the imminent appointment of the next Metropolitan Police Commissioner. In respect of the two inquiries that have been set up so far—the Johnston inquiry and the inquiry that Mr. Speaker is setting up—and any other inquiries that Select Committees might want to set up, will my right hon. Friend give the House an undertaking that she, other Ministers and civil servants will be prepared to come and give evidence to those inquiries, and that there will be full co-operation so that all the facts of this matter can be brought before the House?

Jacqui Smith: I can certainly give my right hon. Friend an assurance that I will be perfectly willing, as I have been today, to give the fullest possible information—in a way, of course, that does not prejudice any investigation. I—and, I am sure, other Ministers—will be willing to give the fullest possible information. With respect to my right hon. Friend's concerns about the appointment of the Metropolitan Police Commissioner, may I put on record—I believe that the Mayor shares this view—that we understand that this is an appointment of vital importance both for London and for the national interest, and that we will work closely to make sure that we get the best candidate for that extremely important job.

Mr. Kenneth Clarke (Rushcliffe) (Con): The Home Secretary has confirmed that she was the only Minister who authorised the involvement of what is usually called the special branch in the investigation of incidents of which she was the only victim and from which she had already suffered only political embarrassment. Can she tell the House whether she challenged or discussed that recommendation, and in particular what legal advice she sought about the matter being moved into the

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sphere of a criminal investigation? At what stage were the Law Officers asked for their opinion? At what stage was the Director of Public Prosecutions asked for his opinion? Did she obtain the advice of even Home Office lawyers?

Jacqui Smith: The right hon. and learned Gentleman is wrong. I did not authorise the investigation into the leaks and I did not say that I had. Completely appropriately, the Cabinet Office, which has responsibility—and, I suspect, probably did in his day as well—for the integrity of Government information, asked the police for assistance in the investigation, following a series of leak inquiries which had been inconclusive. I think that that was wholly appropriate. As I said in my statement, I agreed with the view of Sir David Normington that it was appropriate that the matter be referred to the Cabinet Office and that that then involved the police in the investigation. When there has been a process of internal leak inquiries and the use of external inquirers, and there is the serious issue of the systematic leaking of matters that could be extremely sensitive, it seems to me appropriate for Government to ask the police to help with those investigations. The only basis on which the police will carry out those investigations is if they suspect that a criminal investigation may be necessary.

John Reid (Airdrie and Shotts) (Lab): On the basis of the statement by the Home Secretary, I have no doubt at all about her integrity and truthfulness in this matter. It ill behoves Opposition Members to imply that there is a lack of either. I also accept the integrity and impartiality of the vast majority of civil servants who day in, day out serve Governments of all persuasions, despite their own personal opinions. That should be placed on the record. However, I would be wrong if I did not express some unease about two aspects of the matter. One is the fact that having been told—quite properly, in my view—that there was contact on this subject between one politician connected with the Metropolitan Police Service, the Mayor of London, and the person at the centre of the investigation, that must be looked at. Secondly, I am surprised, to say the least, that the Secretary of State for the Home Department was not informed that her opposite number, effectively, was about to be arrested. If I had been told after the event that that had been done, I cannot think that I would have remained as placid as she has in the circumstances. Notwithstanding the fact that she has said that even if she had been informed, she would not have acted differently, I do not think that we should take that as a ruling that someone in her position should never be informed. For my part, I would have wanted to be informed, and to express a view on the matter. I hope that she will look at those processes without prejudice.

Jacqui Smith: It is, of course, completely appropriate that the process of both the investigation and the information that was passed on should be part of questions and consideration after the police investigation. With respect to my right hon. Friend's first point, I believe the Metropolitan Police Authority and certain Members have already questioned what the Mayor knew, whom he chose to share that information with and whom he chose to communicate it to. It seems wholly appropriate for them to do that. On the second point, about whether and when I should have been informed, it is a matter for the Metropolitan police as to the point at which I was informed. I have made clear the questions that I asked after being informed. On the subject of placidity—I think that sometimes it behoves Home Secretaries to deal calmly with issues that are of significance, such as the present matter.

John Hemming (Birmingham, Yardley) (LD): The Home Secretary may be interested to know that, following the Government's example of using the criminal law to persecute Opposition politicians for being too effective, the States of Jersey have initiated a criminal investigation into Senator Stuart Syvret, which should cause grave concern because of the situation in Jersey. Has the Home Secretary had any advice as to which elements of leaked information were covered by the Freedom of Information Act and the fact that the civil servant would have had a duty to reveal that information? Does she find it a little odd that one faces a criminal investigation for revealing certain information that one has a duty to reveal?

Jacqui Smith: Although the hon. Gentleman's point was very broad, covering a range of cases, I listened with interest. He made some important points, which I am sure people will want to return to, not least as part of the accounts that are being done here.

Mr. David Winnick (Walsall, North) (Lab): I entirely accept the integrity of my right hon. Friend. I do not question that in any way, and it is quite likely that the political points that the hon. Member for Ashford (Damian Green) was trying to make were matters with which I would hardly agree. Does my right hon. Friend accept that no one has suggested for one moment that MPs are above the law? Of course we are not above the law, but is there not a distinction between that and our role as Members of Parliament carrying out our parliamentary duties and being able to do so without fear or favour? If that is undermined, parliamentary democracy is undermined.

Jacqui Smith: I agree with my hon. Friend that both the principle of the important and significant role of Members of Parliament and the principle that nobody is above the rule of law need to be upheld in the present situation.

Mr. Michael Howard (Folkestone and Hythe) (Con): Did the Home Secretary at any time give any indication to officials that she did not want to be kept informed of the progress of the investigation?

Jacqui Smith: No.

Andrew Mackinlay (Thurrock) (Lab): A little while ago I had a hand in getting the Prime Minister to reaffirm the Wilson doctrine, and he extended it to modern electronic surveillance. On the face of it, it would appear that the Wilson doctrine has been abrogated by the police in this case. Clearly, the e-mails of the hon. Member for Ashford (Damian Green) were looked at. I venture to suggest that he was listened in to, and that there has been access to all our e-mails. Can the Home Secretary tell us whether the Wilson doctrine has been abrogated? Will she place in the Library the reply that she sends to the letter that I sent her two days ago on that specific point?

Jacqui Smith: I am sorry my hon. Friend has not received the reply to the letter, which I sent him yesterday and in which I made it clear that the Wilson doctrine as outlined by the Prime Minister has not been abrogated.

Peter Bottomley (Worthing, West) (Con): On two of the occasions when I have talked to the commissioner or other senior police officers about operational matters, one shortly after the death of Stephen Lawrence and the other after the police had put an anti-terrorist team to search the home of Sergeant Gurpal Virdi, one of their own members, I did not find any objection from the police, and I did not think I was doing anything wrong, so I hope the Home Secretary will not be too delicate about discussing issues. It is a perfectly proper thing to do. Will she have a chance to read column 52 of yesterday's *Hansard*, which shows the Minister of State, Department of Energy and Climate Change making a number of allegations and assertions about the civil servant involved, and tell the House whether she thinks that was proper, and whether it was prepared by someone on the Government Front Bench? Lastly, can she confirm that malfeasance in public office is not always a criminal offence?

Jacqui Smith: I have not read the passage to which the hon. Gentleman refers. The point about misconduct in public office is that it is potentially a criminal offence—*[Interruption.]* Well, that depends whether it has happened. As a common law offence, it is also a legitimate part of the criminal process of this country.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): When my right hon. Friend was considering these issues, did she take into account such precedents as the prosecution and imprisonment by the Conservative Government of a woman civil servant for handing over details of Michael Heseltine's diary to *The Guardian*, and the prosecution of Clive Ponting, when the Conservatives wanted to imprison him but he was acquitted on a public interest defence—which they immediately abolished, so that nobody else could have a public interest defence? In considering these issues, will my right hon. Friend take into account the synthetic indignation of the Conservatives, who seek one law for a Tory Government's iron heel and another law for a Labour Government?

Jacqui Smith: My right hon. Friend is right, of course. When we talk about disclosure of information from Government, we are in areas of the utmost controversy that go to the heart of the nature of our democratic system and to the heart of the nature of the role of the civil service in this country.

Although I did not consider those precedents in detail, I certainly thought about them and also about previous, extremely sensitive investigations into senior political figures. In some of those cases, I do not remember hearing the sort of outrage that we are hearing around this issue.

David Davis (Haltemprice and Howden) (Con): If the issue was really a serious matter of national security, why were the arrests not carried out under the Official Secrets Act?

Jacqui Smith: The right hon. Gentleman is right that there have been circumstances under which issues of national security have resulted in the use of the Official Secrets Act. There have also been occasions on which the offence of misconduct in public office has been appropriate. Of course, there have not yet been any charges in this area and that is, of course, the responsibility of the police in terms of the evidence that they have. I made the point earlier to the hon. and learned Member for Beaconsfield (Mr. Grieve) that neither he nor I—nor the right hon. Gentleman—have seen the evidence to make the appropriate decisions on the investigation, and, with the involvement of the Crown Prosecution Service, on the nature of any charges, which may or may not emerge.

Ms Patricia Hewitt (Leicester, West) (Lab): I believe that my right hon. Friend the Home Secretary and her permanent secretary have behaved absolutely appropriately on this occasion. May I bring her back to the Freedom of Information Act 2000, which was raised by an Opposition Member? Does she agree that that Act—which was introduced by this Government, of course—has fundamentally changed the situation? It makes available to the House, the public and the media an immense amount of information that would never have been made available under any previous Government, whether Conservative or Labour. Furthermore, under that Act we have an independent Information Commissioner whose job it is to hold the balance between the public interest in disclosure and the public interest in good government, including confidential advice to Ministers. In those circumstances, is it not—*[Interruption.]*

Mr. Speaker: Order. The right hon. Lady has given me an opportunity to remind the House that there should be only one supplementary to the Home Secretary.

Jacqui Smith: My right hon. Friend makes a very important point about the willingness of the Government to put in place, quite rightly and legitimately, the appropriate ways for members of the public and Members of the House—and civil servants, when necessary—to make information publicly available. I am thinking of the Freedom of Information Act, the whistleblowing processes that I outlined and the legislation that we have put in place to support whistleblowers. Given that record, my right hon. Friend is right that as a Government we have proved ourselves to be more open than any previous Government—and, incidentally, more open than any proposals put forward by Opposition Members.

David Howarth (Cambridge) (LD): Does the Home Secretary not accept that there is a vast difference between threatening to sack someone for breach of confidentiality and setting the criminal law attack dogs on them? Is she saying that because the Home Office deals with some matters of national security, any leak from the Home Office is now a criminal matter—even though we know that in this case no real matters of national security were at stake?

Jacqui Smith: Once again, I have to say that a Member is claiming a greater knowledge of the evidence than he can possibly have. When there has been systematic leaking and internal leak inquiries have not been able to discover its source, at a certain point I believe it appropriate to ask the police for their assistance in that investigation.

Mr. Adam Ingram (East Kilbride, Strathaven and Lesmahagow) (Lab): I thank my right hon. Friend for her statement and how she has conducted herself so calmly throughout this affair. Why should Her Majesty's loyal Opposition have thought it necessary to take legal advice on this matter? Does she share with me the view that perhaps, in their wish to see great transparency and openness, they should publish the brief that they gave to counsel and the legal advice that they obtained?

Jacqui Smith *rose—*

Mr. Speaker: Order. What the Opposition do is not for the Home Secretary to account for.

Sir Nicholas Winterton (Macclesfield) (Con): Surely the Home Secretary will be aware that leading members of the Labour Governments since 1997 were expert and very successful in using leaked material during the last Conservative Government. In respect of a point made by the right hon. Member for Airdrie and Shotts (John Reid), a former Home Secretary, is she not aware that she should have been informed by the police in a case involving a Member of this House? It is an exceptional situation. How many of the 20 leaks that she has mentioned involved national security?

Jacqui Smith: On the first point, about the use of information, I should say that today I have made absolutely clear my view that it always has been the case—and will remain so in future—that hon. Members and others who receive information should be able to use it in the public interest and that hon. Members should be able to carry out their role as Members of the House. However, I do not accept that that implies that there is no responsibility on the Government to investigate when leaks become systematic, happen in Departments that deal with some of the most sensitive issues, including national security, across Government, and risk undermining the principles of the impartiality of the civil service code.

On the point about being informed, I think that I was clear in my response to my right hon. Friend the Member for Airdrie and Shotts (John Reid) that I was not, and that was a decision for the Metropolitan police.

Alan Keen (Feltham and Heston) (Lab/Co-op): Perhaps I am a bit old-fashioned, but I have been made to feel nauseous on so many occasions since this event broke. The statements made by peo[illegible]e often demonstrated their self-importance rath[illegible] tried to solve the problem. To be constructiv[illegible]ay I ask the Home Secretary whether the advice to Back Benchers of any political party should be that one telephone call from a civil servant on an issue of national security should be reported immediately to the security people, and one telephone call on an issue not of national security should lead to a fatherly or motherly talk to the individual—"Look sonny, don't do this. Go and get another job if you don't like it"?

Jacqui Smith: My hon. Friend offers me the opportunity to give advice. Hon. Members are very aware of their responsibilities, with respect both to their own roles and to the impartiality of the civil service. That is how Members of this House should and do act.

Mr. Edward Leigh (Gainsborough) (Con): Following the intervention from the right hon. Member for Airdrie and Shotts (John Reid)—the Home Secretary's distinguished predecessor who sits behind her and said that he would have liked to have been tipped off that his opposite number was about to be arrested—what lessons has the Home Secretary learned from this incident about the future? Does she think that in future it might be wise for the Home Secretary to be informed if an Opposition spokesman was about to be arrested for doing his job?

Jacqui Smith: What I have learned is that if we believe in the principle of the operational independence of policing, we should put that into practice, however difficult and tricky the circumstances.

Tony Lloyd (Manchester, Central) (Lab): I want to comment on exactly that theme. Had my right hon. Friend been informed and attempted to interfere with that operational freedom, she would have faced legitimate demands for her resignation. Opposition Members—former Home Secretaries—have said that they would have interfered with police operational independence. My right hon. Friend has done exactly the right thing and will be supported by people throughout the country on that basis.

Jacqui Smith: I thank my hon. Friend for that. I think that it would have been wholly inappropriate for any Home Secretary to intervene in a police investigation in the way that some have tried to imply they would have done.

Mr. Roger Gale (North Thanet) (Con): The shadow Home Secretary asked the Home Secretary a number of questions that she failed to respond to. Let me try a couple of them again. First, did the police apply to a magistrate for a search warrant to enter the House of Commons? If not, why not? If they did, were they turned down? Secondly, is she personally satisfied that this operation was carried out under the terms of—

Mr. Speaker: Order.

Jacqui Smith: On the first point—the only point—I have made it clear that I asked some of those questions yesterday evening. Bob Quick, the Assistant Commissioner, responded to me today, and I have placed that letter in the Library. [Hon. Members: "Answer!"]

Mr. Speaker: Order. I usually let a statement run for an hour, but if there are such levels of shouting I will cease the statement now. That is the danger that right hon. and hon. Members run. Shouting like that is not something that I will tolerate.

Dr. Nick Palmer (Broxtowe) (Lab): I share the fairly widespread concern about the allegations of, or suspicion of, criminal activity by an hon. Member and about the tendency of the police in recent years to take a more dramatic role in political controversy than we would wish. However, we are not considering one aspect, which is non-criminal. Does the Home Secretary agree that if any hon. Member seeks systematically to encourage a breach of the civil service code, regardless of whether it is criminal, it is a reason for shame?

Jacqui Smith: My hon. Friend is right. It is important for all political parties and for anybody who believes that they may, at some point, form the Government of this country, that we uphold the political impartiality of the civil service as set down in the civil service code. That is one of the four important principles that are brought into sharp relief in this situation.

Adam Price (Carmarthen, East and Dinefwr) (PC): Where does the literally unwarranted—apparently—intrusion into the parliamentary office of a Member of this House leave the whole concept of parliamentary privilege and the Bill of Rights, which is surely a fundamental part of our constitution? Will the Home Secretary issue guidance to the police that when a Member of this House is to be arrested in relation to his political activities as such, the advice of the Law Officers should be requested in order to see whether it constitutes a breach of parliamentary privilege?

Jacqui Smith: Mr. Speaker made very clear yesterday the situation with regard to parliamentary privilege. The Police and Criminal Evidence Act 1984 lays down the requirements for search and for arrest.

Clive Efford (Eltham) (Lab): Does my right hon. Friend agree that the position that she has been invited to adopt is that civil servants should be allowed to treat her Department as an Aladdin's cave of secrets that they should be free to leak, and that civil servants' judgment alone will determine what is in the public domain and what is not? Did the level at which these leaks came from her Department suggest to her that the person who leaked may have had access to information relating to national security? Can we be sure that all the leaks—

Mr. Speaker: Order.

Jacqui Smith: There were concerns at a point at which it was unclear as to how many people were involved in leaking, but it was clear that there had been systematic leaking. That was, of course, the reason for asking the police to investigate. Some of the other issues that my hon. Friend raises should be left to be the subject of a police investigation. However, he is absolutely right in his suggestion that everybody in this House should be in a position of upholding the civil service code.

Mr. Andrew Mackay (Bracknell) (Con): Returning to the letter from Mr. Quick to the Home Secretary yesterday, relating to the lack of writ that was provided when the search took place of the office of my hon. Friend the Member for Ashford (Damian Green), there is a clear difference of opinion, or a major difference of fact, between what the Speaker said yesterday and what Mr. Quick said. Who does the Home Secretary believe? I know who I believe, and it ain't Mr. Quick.

Jacqui Smith: Unlike the right hon. Gentleman, I am not so quick to jump to judgment. That is why I believe that Ian Johnston's review, set up by Sir Paul Stephenson, and the ability of this House to consider the issue through Mr. Speaker's Committee, are both important.

Tom Levitt (High Peak) (Lab): I am sure that the whole House agrees that it is absolutely right that civil servants should hold political views, that they should join political parties, and that they should take part in legitimate political activity in their own time. However, in light of the fact that they need to behave in a professional manner at all times and to uphold the civil service code, and in light of what my right hon. Friend has called the "systematic leaking" of information, are there grounds for an inquiry to see whether there are any leaking Tory moles placed in other Government Departments?

Jacqui Smith: I do not think that that is an issue for me to comment on today.

Mr. John Maples (Stratford-on-Avon) (Con): Prior to 1989, the Government could have used the Official Secrets Act in this case. The Home Secretary is sitting next to one of the world experts on the Official Secrets Act, who will be able to remind her that in 1989, almost exactly 20 years ago to this day, the then Conservative Government amended the Official Secrets Act to restrict the application of the criminal law to a very narrow band of Government information. It may surprise the Home Secretary to know that the whole Labour party, including the current and former Prime Minister, voted against that legislation on the grounds that it did not go far enough in liberalising the situation and still applied the criminal law to far too much information. As a result, the Government have had to dredge up an old common law offence to put the frighteners on officials, MPs and, presumably, journalists. If they want to criminalise information like this, why do they not amend the legislation by repealing the 1989 Act?

Jacqui Smith: The idea that the Government have dredged up the several circumstances in recent years when the offence of misconduct in public office has been used against public servants is just wrong. The decision on what offence is charged is, of course, for the police, alongside the Crown Prosecution Service. I am sure that the hon. Gentleman agrees it would be wholly inappropriate in this situation for Ministers to offer an opinion about what any potential charges should be.

Mr. Mike Hall (Weaver Vale) (Lab): With regard to the cash for honours investigation, the Leader of the Opposition said that it was right that these matters should be investigated and that the police and the CPS should make decisions about how to proceed. If that principle was right in that case, surely it should apply in this case, and should not be influenced by the contrived outrage of the Conservatives.

Jacqui Smith: I believe that that should be the principle in all cases.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Yesterday, Mr. Speaker, you told us two things in your statement: first, that there was not a warrant; and secondly, that the police failed to tell the Serjeant at Arms that she was entitled to refuse access. That was a breach of code B52 of the statutory codes. Furthermore, on any view, the Serjeant at Arms had no authority to allow access to the hon. Member's possessions. Consequently, the police were acting unlawfully in all

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three respects—no warrant, no statement that the Serjeant at Arms was entitled to refuse access, and, in any event, having access to material to which they were not entitled. When did the right hon. Lady first know that the police were guilty of such illegality?

Jacqui Smith: I think, frankly, that the right hon. and learned Gentleman is confusing his role as a Member of this House with his presumably desired role as a member of the judiciary. *[Interruption.]*

Mr. Speaker: Order. The House must calm down.

Mr. David Kidney (Stafford) (Lab): The police must be free to follow the evidence. However, our constituents sometimes complain to us that when they have been the subject of an investigation, the question arises as to whether the police's methods were proportionate to the seriousness of the criminality that is suspected. Sometimes we get the answer to that years or months later as the result of a trial; sometimes we get it as the result of an investigation by the Independent Police Complaints Commission. At this early stage of this case, the only question to which I want to know the answer is whether the police had legal advice about the seriousness of the criminality that they suspected in order to make that judgment about proportionality before they made the decision to act. Does the Home Secretary know whether the police had legal advice?

Jacqui Smith: Sir Paul Stephenson has stated publicly the point at which the police consulted the CPS. Secondly, on the issue of proportionality, as I said, I welcome the fact that Sir Paul Stephenson is asking Ian Johnston to review the appropriateness and proportionality of the investigation.

Mr. John Redwood (Wokingham) (Con): Can the Home Secretary explain what was unique about this case that led them to want the police to be involved, when the police were not invited to investigate the systematic leaking of price-sensitive information about banks and bank capital, or to look into the extraordinary leaking of practically the whole pre-Budget statement, which was really a Budget? Surely that was systematic leaking on a grand scale. What was different about it?

Jacqui Smith: There have been other situations where the police have been asked by the Cabinet Office to help with investigations.

Mr. Parmjit Dhanda (Gloucester) (Lab): The Home Secretary has been clear and unambiguous today. Will she go further on the point of my hon. Friend the Member for Thurrock (Andrew Mackinlay) about the Wilson doctrine? Can she reassure all hon. Members that our home numbers, work mobiles and the phones that we use in this House are covered by the Wilson doctrine, as well as our e-mail accounts?

Jacqui Smith: As I have suggested, the Wilson doctrine applies, and it applies as outlined by the Prime Minister.

Points of Order

12.21 pm

Damian Green (Ashford) (Con): On a point of order, Mr. Speaker. I invite the Home Secretary to correct a factual inaccuracy in her statement. She said that I was arrested "on suspicion of conspiring to commit misconduct in a public office and aiding and abetting, counselling or procuring misconduct in a public office." I have a copy of my arrest warrant here, and the phrase "counselling or procuring misconduct in a public office" does not occur. I was not arrested for counselling or procuring misconduct in a public office. She will understand the seriousness of her mistake, and I invite her to withdraw those words immediately.

Mr. Speaker: I ask the Home Secretary to reply.

Jacqui Smith: I would certainly be prepared to take that up with the Metropolitan police—[HON. MEMBERS: "Oh!"]

Mr. Speaker: Order. Hon. Members should allow the Home Secretary to answer in the way that she wants to answer. It is not for me to tell the Home Secretary—or any other hon. Member—how she should answer. Home Secretary, have you anything to add?

Jacqui Smith: I was quoting from a public statement made by the Metropolitan police on 28 November.

Mr. Dominic Grieve (Beaconsfield) (Con): Further to that point of order, Mr. Speaker. In answer to one of the questions that was asked, namely whether an application had been made to a magistrates court for a warrant to come on to these premises, the Home Secretary replied that we should be referred to the letter of Mr. Quick, which she had placed in the Library. But the letter from Mr. Quick does not go into that in any way at all. Is it not a contempt of this House to be treated in this fashion?

Mr. Speaker: We are now extending the question session given to the Home Secretary.

Simon Hughes (North Southwark and Bermondsey) (LD): On a point of order, Mr. Speaker. Can you confirm that the House has power, if necessary and on matters of national security, to go into private session, as it did during the war, for example, to be briefed by the Prime Minister? Secondly, given that we have heard a ruling from the European Court this morning which says that the retention of DNA samples is not legal, can you ask the Home Secretary before she begins her contribution to the following debate when she will announce the Government's response to that? That matter appears to be relevant to the case of the hon. Member for Ashford (Damian Green).

Mr. Speaker: The second point is not a point of order. The hon. Gentleman can seek that information from the Home Secretary at any time through the various facilities we have. On his other point, the House can sit in private if it deems it necessary.

Mr. Michael Jack (Fylde) (Con): On a point of order, Mr. Speaker. If it turns out, on investigation, that the Home Secretary used incorrect words in her statement, would it be in order for the official record of the House to be so corrected?

Mr. Speaker: It is up to the Home Secretary. The words and the statements that she makes are up to her.

Mr. Richard Benyon (Newbury) (Con): Further to the point made by the hon. Member for Thurrock (Andrew Mackinlay) concerning our e-mails and the House of Commons server, Mr. Speaker. Can you confirm that the House of Commons server is covered by the Wilson doctrine, and that it cannot be accessed by the police or any other authorities to access our e-mails in order to investigate circumstances that we lawfully as Back Benchers and Members of this House have taken up on behalf of our constituents and others?

Mr. Speaker: As the Chairman of the House of Commons Commission, I have a serious responsibility to look after the computer system that we all use, including myself. I will look into this matter, rather than give an off-the-cuff answer from the Chair.

Mr. Gerald Howarth (Aldershot) (Con): Further to the point of order of my hon. Friend the Member for Ashford (Damian Green), Mr. Speaker. Given the unreliability of the information upon which the Home Secretary has relied today, how on earth can this House possibly give any credence to anything that the Home Secretary has said today in respect of the Metropolitan police? *[Interruption.]*

Mr. Speaker: Order. So far there has been some excitement in the Chamber, but we have kept our comments temperate, and we should continue to do so.

Dr. Julian Lewis (New Forest, East) (Con): On a temperate point of order, Mr. Speaker. Has the Home Secretary given you any notice that she intends to place in the Library of the House a list of the actual—not potential—leaks that led to the calling in of the police, so that Members will be able to see whether any of them involved national security, something that she has refused to tell us today?

Mr. Speaker: That is certainly not a point of order. It is a matter for the Home Secretary.

Mr. David Burrowes (Enfield, Southgate) (Con): Further to that point of order, Mr. Speaker. In line with your suggestion of temperate language, have you considered the point made by my hon. Friend the Member for Worthing, West (Peter Bottomley) about the intemperate language used by the Minister of State, Department of Energy and Climate Change when he, in effect, accused my hon. Friend the Member for Ashford (Damian Green) of procuring a spy, giving information on political opponents and stealing confidential information?

Mr. Speaker: That is not point of order. There are times when I tell Ministers that they should be temperate in their language, but I make no comment on the point that has been raised.

Mrs. Theresa May (Maidenhead) (Con): On a point of order, Mr. Speaker. With regard to the Speaker's Committee on the search of offices on the parliamentary estate, could you clarify the situation and perhaps give the Leader of the House an opportunity to retract her suggestion about who is able to choose the members of that Committee? Yesterday, in your statement, you said clearly that you would be setting up

"a Committee of seven senior and experienced Members, nominated by me".—[*Official Report*, 3 December 2008; Vol. 485, c. 3.]

In business questions earlier, the Leader of the House said also that she believed that you would be nominating that Committee, but the motion for Monday says that the seven Members appointed by the Speaker will be

"reflecting the composition of the House".

In other words, you and you alone will not be able to choose the Members. Our understanding is that the membership would be selected by you and you alone.

Mr. Speaker: I have expressed my wish, and I stand by my statement. The right hon. Lady may recall that one hon. Member did ask about the terms of the motion, and I made it perfectly clear that the rules of this House say that it is for the Government to put down the motion. All I can say to this House is that there is also a facility to put down amendments. I cannot go any further than that.

John Reid (Airdrie and Shotts) (Lab): On a point of order, Mr. Speaker. Following the point of order made by the hon. Member for New Forest, East (Dr. Lewis), who asked the Home Secretary whether she would give a list of documents that have been leaked from the Department, I know from experience that by definition the only person who knows what has been leaked from that Department is the recipient of the leaked documents. Would you therefore urge anyone who has received anything that concerns national security to bring it before the whole House?

Mr. Speaker: I think that it is time to move on.

BILLS PRESENTED

Business Rate Supplements Bill

Presentation and First Reading (Standing Order No. 57)

Secretary Hazel Blears, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Secretary Geoff Hoon, John Healey, Mr. Pat McFadden and Mr. Sadiq Khan, presented a Bill to confer power on the Greater London Authority and certain local authorities to impose a levy on non-domestic ratepayers to raise money for expenditure on projects expected to promote economic development, and for connected purposes.

Bill read the First time; to be read a Second time on Monday 8 December, and to be printed (Bill 2) with explanatory notes (Bill 2-EN).

Saving Gateway Accounts Bill

Presentation and First Reading (Standing Order No. 57)

Mr. Chancellor of the Exchequer, supported by the Prime Minister, Secretary James Purnell, Mr. Secretary Woodward, Secretary Paul Murphy, Yvette Cooper, Secretary Jim Murphy, Mr. Stephen Timms, Angela Eagle and Ian Pearson, presented a Bill to make provision about Saving Gateway accounts; and for connected purposes.

Bill read the First time; to be read a Second time on Monday 8 December, and to be printed (Bill 3) with explanatory notes (Bill 3-EN).

Banking Bill

Presentation and resumption of proceedings (Standing Order No. 80A)

Mr. Chancellor of the Exchequer, supported by the Prime Minister, Secretary David Miliband, Secretary Jack Straw, Secretary Jacqui Smith, Mr. Secretary Hutton, Yvette Cooper, Stephen Timms, Angela Eagle and Ian Pearson, presented a Bill to make provision about banking.

Bill read the First and Second time without Question put (Standing Order No. 80A and Order (14 October)); to be read the Third time on Monday 8 December, and to be printed (Bill 6) with explanatory notes (Bill 6-EN).

Political Parties and Elections Bill

Presentation and resumption of proceedings (Standing Order No. 80A)

Mr. Secretary Straw, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Secretary Hazel Blears, Edward Miliband and Michael Wills, presented a Bill to make provision in connection with the Electoral Commission; and to make provision about political donations and expenditure and about elections and electoral registration.

Bill read the First and Second time without Question put (Standing Order No. 80A and Order (20 October)); to be considered on Monday 8 December, and to be printed (Bill 4) with explanatory notes (Bill 4-EN).

Corporation Tax Bill

Presentation and First Reading (Standing Order No. 57)

Mr. Chancellor of the Exchequer, supported by the Prime Minister, Secretary James Purnell, Yvette Cooper, Mr. Stephen Timms, Mr. Gareth Thomas, Angela Eagle and Ian Pearson, presented a Bill to restate, with minor changes, certain enactments relating to corporation tax; and for connected purposes.

Bill read the First time; to be read a Second time on Monday 8 December, and to be printed (Bill 1) with explanatory notes (Bill 1-EN).

Debate on the Address

[2ND DAY]

Debate resumed (Order, 3 December)

Question again proposed,

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament

Home Affairs and Justice

12.31 pm

The Secretary of State for the Home Department (Jacqui Smith): It is a great privilege to open the debate on the Gracious Speech.

Yesterday, the Gracious Speech made clear our commitment to supporting families and businesses through difficult economic times. Today's debate builds on that commitment to economic security with plans to strengthen security in our neighbourhoods and on our borders, and the ties that bind our communities.

With families working harder and more demands being placed on public resources, fair rules are essential to ensure that everyone is playing their part. Fair rules make for strong communities. That means supporting those who play by the rules, standing shoulder to shoulder with communities and giving them a fair say in setting the rules, and ensuring that those who do not play by the rules are punished in a way that reinforces public confidence.

The measures that we are introducing in the Session build on the solid foundations that we have laid since 1997. Crime is down by nearly 40 per cent., with burglary and car crime more than halved. The likelihood of being a victim of crime is lower now than at any time in more than 25 years.

The Government have taken tough and determined action to nip antisocial behaviour in the bud and turn the tables on the small minority of persistent offenders who try to make life a misery for the law-abiding majority in our communities.

Mr. Dominic Grieve (Beaconsfield) (Con): I am listening carefully to the Home Secretary. May we consider violent crime? The briefing document that was supplied to Ministers—I believe that it is one of the other leaks in this place—acknowledged that violent crime was increasing, whereas the Government previously claimed that it was decreasing. Will she clarify the position?

Jacqui Smith: The hon. and learned Gentleman knows from the British crime survey and the recorded crime figures that violent crime has decreased in the past year. That demonstrates the tremendous job that the police and their partners do across the country. We have delivered neighbourhood policing in every neighbourhood throughout England and Wales. By the end of the year, we will deliver a policing pledge in every force—a new deal between the police and the public, setting out for the first time the standards of service that people can expect their force to meet.

Alongside the pledge, there will be greater accountability to local communities through crime mapping and regular information updates, and through monthly opportunities for people to help set local priorities for local action.

Lembit Öpik (Montgomeryshire) (LD): I am listening to the Home Secretary with interest. Switzerland has made an interesting departure from convention by voting to provide hard drug users with their drug on prescription. Is she willing to hold a dialogue with organisations that believe, through analysing the motivations for the Swiss vote, that that could be a method of significantly reducing crime in this country? Will she consider running similar pilot schemes in the United Kingdom to break the link between crime and drug addiction?

Jacqui Smith: We have already made considerable progress on breaking the link between crime and drug addiction by doubling the number of people in treatment. There has been a 22 per cent. reduction in acquisitive crime. We set out in the next 10-year drug strategy, which we published earlier this year, how we want treatment to develop. I believe that some prescribing pilots are already under way and we will want to evaluate and examine them carefully.

As well as the greater accountability to local people that I described, we will also introduce greater accountability to local elected representatives through the councillor call for action, which will be in place from next April. We will provide a strengthened and reformed role for police authorities through inspection and improved training and skills for their members.

Community crime fighters will be in each neighbourhood, helping local people get their say and giving our clear backing to people who want to get involved in tackling crime and antisocial behaviour.

Mr. Andrew Turner (Isle of Wight) (Con): If the police look for things on any site, they have to explain to the owner that they either need a warrant or that the owner must be satisfied with a written explanation, under the Police and Criminal Evidence Act 1984 or other legislation. Are they the only two routes or is there a third?

Jacqui Smith: I think that I made it clear that the legal basis for such searches is outlined in the Police and Criminal Evidence Act. Given that we spent an hour and a quarter on the matter through the statement, it is disappointing that Conservative Members do not want to consider issues about crime, justice and immigration that seriously concern our constituents.

Mr. Tobias Ellwood (Bournemouth, East) (Con): May I take the Home Secretary back to the statistics with which she started? She knows that there has been an increase of about 22 per cent. in violent crime between 3 am and 6 am. That puts huge strain on our police forces. What will she do about it? Is it time to review the Licensing Act 2003?

Jacqui Smith: The review of the Licensing Act that the Government carried out showed that the incidence of violent crime remained unchanged on the whole. Alcohol-related violent crime has decreased, but I will deal later with the action that we should and will take on binge drinking.

Simon Hughes (North Southwark and Bermondsey) (LD): In earlier debates, the Home Secretary said that she is keen for the police to build on their good community work by being responsive at all times to people who ask them for assistance. Will she report back on whether she has been able to take action to ensure that that happens? Not hearing back from the police causes a genuine problem with public confidence. Has she or her colleagues in other Departments considered whether, in supplementing the police in communities, more money and support could be provided for detached youth workers to assist with the problems that she experiences in her constituency, as I do in mine, so that those who are on young people's side work with them, rather than those who are sometimes perceived to be against them?

Jacqui Smith: The hon. Gentleman makes two important points. I wholeheartedly agree that local people need and deserve to know the response that they can expect from the police. It needs to be a good response. That, with the agreement of the Association of Chief Police Officers, is set out in the pledge that chief constables have committed to delivering everywhere by the end of the year. It is important to find methods of ensuring that local people are clear about what they can expect because that will help build confidence.

I agree with the hon. Gentleman about detached youth workers. That is why support for such youth work is an important part of the £100 million overall investment that went into the youth crime action plan. We are now in the process of distributing the money so that it can be spent and such services can be developed.

Mr. Mark Field (Cities of London and Westminster) (Con): It is fairly fruitless to bandy statistics about, as we have tried to impress upon the Home Secretary, although I entirely endorse what she says about neighbourhood policing. The scheme in my constituency, which works with the local authority, has been something of a success. She referred earlier to accountability. Given her passion for accountability, and no doubt for giving more power to a much more galvanised local electorate, what does she believe is the way forward for directly elected police commissioners, for example? Is this going to be part and parcel of the Bill that she is bringing forward, and what are her general thoughts on this matter?

Jacqui Smith: No I do not think that, and I have made it clear that I think that there should be an abolition of the police authority and a single directly elected police commissioner. That is what I have made clear previously and I still hold to that position.

Mr. Henry Bellingham (North-West Norfolk) (Con): The Home Secretary mentioned accountability and more local involvement. Is she satisfied with the current arrangements for appointing commissioners to the Metropolitan police and, in particular, with the upcoming appointment?

Jacqui Smith: Yes, I am satisfied with the current arrangements for the appointment of the Metropolitan Police Commissioner.

All the measures that I have outlined are designed to build public confidence in the fight against crime and are matched by concrete achievements in freeing up the police to ensure that they can focus on the issues that matter to people. We are removing all but one target set from Whitehall, in order to deliver improved levels of public confidence, scrapping the stop and account form and streamlining the process of crime recording for police forces. We are providing the police with the tools that they need to do their job, with 10,000 handheld devices in the past year and 20,000 more to come over the next 18 months.

Keith Vaz (Leicester, East) (Lab): I warmly welcome the Home Secretary's announcement today, which is very much in line with recommendations that we in the Select Committee on Home Affairs made in our report "Policing in the 21st Century". However, we recommended that every police officer should have a handheld computer. It is not sufficient for some forces to have the facility and for others not to. Also, the devices should be compatible, so that Lincolnshire can talk to Leicestershire without using a different system, which is one of the problems that our police forces have encountered.

Jacqui Smith: My right hon. Friend's Committee produced a good and important report. If he looks at the speed with which we have funded and developed the ability of police forces throughout the country to have handheld devices, he will see that I share his ambition to roll out this important system quickly. He also makes an important point about compatibility. I will talk later about ensuring better collaboration among police forces. The National Policing Improvement Agency is currently leading work to ensure greater compatibility not just between handheld devices, but among all the information systems across police forces, which I certainly agree with my right hon. Friend is important.

Just as police forces must look to their neighbourhoods, so they must also look to each other to collaborate where needed to tackle crime at all levels and to ensure the best use of resources. We will legislate to strengthen the provisions for collaboration, whether in the back office or on the front line of operations. We will also give the police, other law enforcement agencies and prosecutors additional powers to improve the recovery of criminal assets, because criminals should not be able to squirrel away their ill-gotten gains. I make no apology for doing all that I can to ensure that they get the message loud and clear that they should not profit from their criminal activities.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): On the subject of collaboration, I am sure that the Home Secretary will agree that there is no place in a civilised society for the vile practice of human trafficking. I very much appreciate what is being done in our country to stamp out that evil practice, but what co-operation is she receiving from her counterparts in the countries from which those sad individuals come?

Jacqui Smith: The hon. Gentleman makes an important point. I will say something about human trafficking later, but his point about international co-operation is crucial. For example, we are currently working with other countries in the European Union, as part of the EU's action programme on countering trafficking, precisely to address some of the issues that he has raised.

It is central to delivering confidence that justice is done and that it is seen to be done. I want people to know that we are 100 per cent. behind them when they stand up to gangs, drug pushers or other criminals. The

provisions in the coroners and justice Bill, which my right hon. Friend the Secretary of State for Justice and Lord Chancellor will have more to say about later, reinforce that point. There will be a further opportunity to debate the new scheme for protecting the identity of vulnerable witnesses at trial. We will also extend those provisions to the earlier, pre-trial stages of an investigation, so that we can protect witnesses in gang-related murder cases.

The policing and crime Bill will also establish the fair rules that prevent low-level crime and disorder from taking root in our communities. It will introduce measures to tackle binge drinking and set the framework for a new mandatory code for responsible alcohol sales. Most people, even in the House, know how to enjoy alcohol responsibly. Alcohol-related violent crime has fallen, but there is a minority of people who run out of control and ruin things for others. We will give the police the powers that they need to tackle the crime and disorder that stems from excessive drinking. We will take tougher action against retailers and bars that sell alcohol to children and ensure that the industry plays its part in ending irresponsible promotions such as "all you can drink" offers.

Keith Vaz: I thank the Home Secretary for giving way a second time. What she has announced is excellent news, given the recommendations that we in the Home Affairs Committee made in our report. However, the supermarkets are still selling alcohol too cheaply. Will her measures include a floor price below which supermarkets will not sell alcohol? If we address one sector—the pubs and clubs—but do not deal with the supermarkets, which are selling alcohol as a loss leader, we will not solve the problem of alcohol-related crime.

Jacqui Smith: I do not want this debate to become a love-in—

Keith Vaz: It will not become a love-in.

Jacqui Smith: No—some hope.

My right hon. Friend's Committee made some important points and pressed us on precisely those alcohol-related issues. It is of course the case that responsible promotions will—for example, through their impact on all licensees, in both the on trade and the off trade—impact on price. However, having asked the university of Sheffield to conduct research into minimum pricing—which my right hon. Friend drew attention to—we now have some very useful evidence. Given the current economic climate, it is important that we do more work and think carefully about how and whether that work would make an impact on the harm that we would want it to impact upon, but in a way that did not disproportionately affect others. However, the issue is certainly a live one, as my right hon. Friend pointed out.

Mr. Grieve: May I turn to 24-hour licensing? The Home Secretary knows that our party believes that the decision to introduce it was a mistake. There were some reports in the press that there might be changes to the conditions and greater local discretion. Can she tell the House about that and whether the Government intend to move in our direction?

Jacqui Smith: The element that I am outlining with respect to a mandatory code would enable specific conditions to relate to all licensed establishments, as well as providing for probably a larger number of provisions, which could be applied locally to more than one establishment, which, incidentally, would cut some of the bureaucracy involved in the Licensing Act 2003.

Mr. Ellwood: The Home Secretary is being extremely generous in giving way. On responsible drinking, she will be aware that traditional pubs take their duties seriously, but unfortunately 36 are shutting every week. Fortunately, VAT is decreasing, but duties are increasing to compensate and when VAT increases again, duties will remain where they are. How does that help traditional pubs to continue with responsible drinking? Also, on the supermarkets, when the Government came into power, the cost of a pint of beer in a pub was twice what it was in a supermarket. Today, a pint in a pub costs seven times what it costs in a supermarket. The Government surely need to look into that.

Jacqui Smith: My right hon. Friend the Secretary of State for Justice is advising me on the price of beer, on which I have to confess I am not an expert. I am not going enter into future decisions about tax levels, and I am sure that the hon. Gentleman would not expect me to.

Strong and safe communities need local people to be given a fair say in the rules that we all live by. My hon. Friends the Members for City of Durham (Dr. Blackman-Woods), for Stourbridge (Lynda Waltho) and for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) have argued that case very strongly with respect to lap-dancing clubs. We will tighten the controls on lap-dancing clubs, giving local people a greater say in whether those clubs should be allowed to operate in their neighbourhood.

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): I am grateful for the Home Secretary's intention to assert more control over lap-dancing clubs, the expansion of which into residential areas is of great concern to many communities, including mine. *[Interruption.]* I would like to speak without being heckled by the Opposition Front-Bench team. When will my right hon. Friend provide more details of what the legislation will say? In particular, is she going to use the definition of "sex encounter establishments" and what will happen to existing licences and those that may be granted during the transitional phases before the policing and crime Bill becomes law?

Jacqui Smith: I reiterate the point that my hon. Friend has been assiduous in campaigning on behalf of his constituents on this issue. We intend to spell out in the policing and crime Bill how we will define these clubs and how we will provide local people with the opportunity to have their say. The Bill will impact, in response to my hon. Friend's final question, on new establishments and it will provide for what I hope will be reasonably regular reviews of the licensing of existing clubs.

The policing and crime Bill will set out new protections for vulnerable groups, particularly women and children, by tackling demand for prostitution and strengthening existing arrangements to deal with sex offenders. Although

[Jacqui Smith]

we do not always agree on the detail, I want to pay tribute to my hon. Friend the Member for Slough (Fiona Mactaggart) for her campaigning on this issue. I want to make sure that people think twice before they pay for sex, especially if it is with a victim of trafficking or someone forced into prostitution against their will and for another's gain. This month, with particular respect to trafficking, the UK will formally ratify the Council of Europe's convention on human trafficking—a spur for every state around the world to renew their efforts to tackle the evil trade in human misery.

We know the importance of having a strong border to stop traffickers, to disrupt smuggling and to clamp down on illegal immigration. Our borders are already among the most secure in the world and the numbers charged with protecting them are at an all-time high, but we are determined to make the border even stronger as we take forward the biggest overhaul of the immigration system in a generation. We are already issuing biometric visas as a matter of course to anyone applying to travel here. We are reintroducing border controls and exit checks and will soon be able to count non-European economic area nationals in and out of the UK.

David Davis (Haltemprice and Howden) (Con): The Home Secretary may be surprised to know that this is intended to be a helpful intervention for her. There have been some stories in the press and on the radio this morning that the Government intend to insist on checks within country, requiring people to carry these ID cards in country so that the police can check them. Will she please scotch those rumours right now?

Jacqui Smith: My first reaction was that when I need the right hon. Gentleman's help, I know that I am in really big trouble! However, he has been helpful and I am extremely happy to scotch the rumours, as he puts it, because the intention is to enable identity checks only at the border. I am sure that we will have future opportunities to make that even clearer than we have up to this point.

Simon Hughes: These are important matters and Liberal Democrats have always argued that we need a proper and clear immigration policy and proper controls. However, I do not understand why we need further legislation on matters that it seems to me could easily have been in the previous Bill, if not in the one before that. I still fail to see any common border force, which we have argued for, integrating the police, immigration and customs into one force at all our airports and seaports. Why are we not moving towards that rather than playing around and tinkering once again—for the third year in a row, I believe?

Jacqui Smith: I am just coming on to explain what is in the Bill and I hope that the hon. Gentleman will see that it is very far from tinkering; it is, in fact, a means of bringing about and making stick the largest reform in immigration—both at the border and in country—for many years. The border, immigration and citizenship Bill will give UK Border Agency officers the integrated immigration and customs powers that they need to deliver even greater protections at our borders. It is right that we have tough systems in place to ensure that people who come here have a right to do so and it is right to have tough but fair rules in place to make sure that only those with the skills we need can come here to work or study.

Last week, tiers 2 and 5 of the points-based system were introduced, allowing us to control immigration by raising and lowering the bar depending on the needs of the economy and the country as a whole. Last week, too, we issued the first ID cards for foreign nationals—opposed by Opposition Members—to protect against identity fraud and illegal working, as well as to make it easier for people to prove that they are who they say they are.

The Bill also sets out plans for major changes to what we expect of migrants before they can earn British citizenship. British citizenship, is a privilege. There will no longer be an automatic right to stay here after five years. From now on, newcomers will have to speak English, work hard and play by the rules if they want to stay and build a new life in Britain. As the Bill introduces those new responsibilities, we will also create a new duty for the UK Border Agency to take into account the need to safeguard and promote the welfare of children in its operations.

Fiona Mactaggart (Slough) (Lab): I really welcome the duty to safeguard the welfare of children, but will it have any impact on the detention of children?

Jacqui Smith: The duty clearly relates to the detention of children. We are already working to ensure that the detention of children takes place only in extremely specific circumstances, usually when the detention of the child alongside the family for a few days prior to deportation is probably the most important way to keep the family together. Sometimes the detention is just overnight, simply to identify whether someone is a child in cases where there is some uncertainty about it. I agree with my hon. Friend that more work needs to be done and we will undertake it to ensure that children's interests are served, while also ensuring the interests of the country and maintaining the integrity of our immigration system.

The measures we are bringing forward, together with our commitment to strong enforcement of the law, including the doubling of the UK Border Agency's enforcement budget over three years, will deliver an immigration system that is fair but firm.

Mrs. Ann Cryer (Keighley) (Lab): I have heard all sorts of stories over the last 12 months about people who are effectively buying certificates to demonstrate their knowledge of English, so I am wondering whether my right hon. Friend is satisfied that the people getting either indefinite leave to remain or citizenship who need English are actually acquiring the English language rather than just paying someone for a certificate to demonstrate the fact.

Jacqui Smith: We certainly believe that the requirements for English and, of course, knowledge of life should be robust. Where allegations have been brought to our attention, we have investigated them. If my hon. Friend is concerned that the problem has become more systemic, I would be willing to look into it in further detail and to raise it with my right hon. Friend the Secretary of State for Innovation, Universities and Skills.

As I said in my opening remarks, the motivating principle for these measures is that the law must be on the side of those who do the right thing and those who need the most protection. Just as important as the principle are the clear steps that I have set out today, which we are taking in those Bills to put principles into practice. The measures demonstrate again the Government's commitment to protecting the rights of the most vulnerable and the interests of the law-abiding majority, and I commend them to the House.

1 pm

Mr. Dominic Grieve (Beaconsfield) (Con): I listened with care to what the Home Secretary had to say and I am sorry that she sat down before I could ask her about an issue of some importance, which dovetails with the responsibilities of the Foreign and Commonwealth Office—that of piracy. I hope that we might hear something about it today. Piracy concerns an issue of law and order, and before moving on to the main part of my speech I must say that I have been increasingly mystified as to our apparent inability to take action when the law as I have always understood it, albeit rather ancient, is very clear.

Mr. Ellwood: There is confusion in the Navy and other parts of the armed forces as to where we stand with regard to piracy.

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): We are against it!

Mr. Ellwood: The Secretary of State shouts that the Government are against it, but perhaps that needs to be made clear to those who are doing their duty off the coast of Somalia, because they do not know what this Government really think. They do not know whether they are breaking the law if they arrest or indeed shoot somebody; nor do they know whether the person concerned will ask for asylum as soon as the arrest is made. That needs to be clear and it should not be a laughing matter for Government Front Benchers to giggle about.

Mr. Grieve: I am grateful to my hon. Friend for that intervention. There is a need for clarification both of the law and our ability to prosecute pirates in this country, which is easy and perfectly clear-cut, and of the puzzlement that we seem to be confined to a policy of self-defence. My understanding of the state of the law is that it ought to be possible to take proactive steps to suppress piracy within international law. I very much hope that we will hear more about that.

On the substance of what the Home Secretary had to say, although I can welcome some aspects of her speech, there are many others that I cannot, because the Government's record on home affairs and justice is not a happy one and is at variance with the aspirations set out in the Queen's Speech.

The Government have presided over the virtual doubling of violent crime since they were elected; while their incessant red tape and regulation have tied the hands of the police. Indeed, some announcements that are now being made on the subject are merely rolling back red tape and bureaucracy that the Government previously introduced.

The Government's open-door immigration policy has led to a fivefold increase in immigration—straining public services, exacerbating community tensions and allowing drugs, guns and criminal gangs to flow with far too much ease into this country.

Chris Huhne (Eastleigh) (LD): The hon. and learned Gentleman talks about the doubling of crime. He is right that recorded violent crime has doubled—his figures are correct in that respect—but when the Conservatives were in government they repeatedly said, as this Government say, that the British crime survey figures were better. Does he accept that that is contradictory and that a rather different picture is shown? What is his view on whether the British crime survey or the recorded crime figures is the more accurate in this respect?

Mr. Grieve: The hon. Gentleman makes a good point. One problem at the moment is that there does not seem to be much confidence in either set of statistics. As a result, we have been calling repeatedly for independent statistical collation. That would be helpful.

Also, some maturity in the debate would be valuable. If we are considering crime rates merely on the basis of what has happened in the past six or 12 months, we might well be missing the point. We have to look at overall trends. I am the first to accept that on overall trends crime has been rising for a long time. That makes me suspicious when I hear the Government trumpeting that crime is going down. There are lots of mixed messages.

I am quite satisfied that the Government's own assessment is that violent crime is a growing problem. It was quite apparent from the internal briefing document for Ministers—we come back to these leaks—that the Home Office saw it as a priority issue, because it was a rising trend that showed no signs of diminishing. That undermines some of the assertions that have been made.

Beyond that, I agree entirely with the hon. Member for Eastleigh (Chris Huhne). It would be sensible to have some proper statistics and sensible in debate if all of us—I put that as a self-denying ordinance to myself as well—tried to take an overall view, rather than just jumping up and down about immediate statistics. That is for the Government to do as much as anyone else.

Mr. Straw: I would like to follow up, if I may, the point made by the hon. Member for Eastleigh (Chris Huhne). The Conservative party was clear in government. I have here its campaign guide for 1994, which says—*[Interruption.]* It is out of date to this extent: that was when the Conservatives were in government. That is the whole point. When the Conservatives were in government, they consistently said, and it is repeated here in the guide, that the BCS endeavours to build up an accurate picture of the number of crimes actually committed, and that the BCS showed that while recorded crime had doubled between 1981 and 1991, it also showed that the actual number of crimes committed rose by only 50 per cent. in that period. Does the hon. and learned Gentleman not accept, as the BCS was established by the Conservative party, that it is independently verified by the independent statistics authority, which was set up by the House, and that that is the best measure of consistent trends over time?

Mr. Grieve: I am afraid that I do not share the right hon. Gentleman's view with the certainty that he puts forward. I am perfectly prepared to accept the BCS as a helpful indicator, but for the reasons that I have already given I take the view that all statistics should be approached with caution. We also need to review how all the statistical information is collated.

Dr. Andrew Murrison (Westbury) (Con): Does my hon. and learned Friend agree that the acid test is what we hear as Members of Parliament, particularly in our weekly advice surgeries? Most residents seem to think that crime is going up, which rather confounds the statistics that are being bandied about. Is not that all the more remarkable given the fact that we live in an increasingly surveyed society, with more than 600 public bodies now able to intrude on e-mails, telephone calls and all the rest of it? If that was working, surely we would expect improved crime figures rather than the ones we see, which are being reported to us by our constituents.

Mr. Grieve: I agree entirely with my hon. Friend. Indeed, he will be aware that Louise Casey, who produced a report for the Government, indicated quite clearly that the public had no confidence in the statistics that were being produced. In fairness to the Government, they appear to be willing to consider that issue, and they jolly well should. My overall impression—I can give it only of my own constituency—is that violent crime and antisocial behaviour continue to get worse. Some categories of crime have gone down in recent years in my constituency, although they have shown some signs of going up again—burglary, for example.

The picture is very mixed, but there are examples from the past, which I think the Secretary of State for Justice and Lord Chancellor would accept, of proper targeting of crime—such as was done in respect of burglary by my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) when he was Home Secretary—achieving substantial reductions. However, sustaining that can be very difficult.

Mr. Straw: We have done that.

Mr. Grieve: The Secretary of State says that the Government have done that, but I come back to where I started: in the category of violent crime, I do not see the improvements that the Government have been talking about .

Mr. Straw: So far as burglary is concerned, one target that I slightly reluctantly accepted; in fact, I was invited to accept it by the then Prime Minister, Tony Blair—

Mr. Elwood: It was his fault.

Mr. Straw: No, he was right. My hesitation was not entirely justified as it turned out on that occasion. It was a substantial target of a 30 per cent. reduction in burglary from about 1998 onwards. In fact, that has been far exceeded on any measure.

Mr. Grieve: I note what the Secretary of State says, but I stand by my comments, particularly in respect of violent crime. I must now make progress.

When it comes to defending our security, the Government have consistently opted for rhetoric over action and headlines over effectiveness. We have had, and we continue to face, proposals to extend detention without charge to 42 days, despite their being roundly rubbished as unjustified, unnecessary and unworkable by security experts and Members across the House and the other place. It still persists, however, as a sort of fig leaf for the Government's previous climbdown, which was forced on them because they entirely lost the arguments over the issue. The Home Secretary is introducing ID cards—at a cost that we believe, on an independent assessment, could rise as high as £19 billion at the worst of economic times—that will be incapable of stopping terrorists, illegal immigration or benefit fraud.

We are developing a database state and hoarding an increasing volume of data on our citizens, but the Prime Minister readily admits that he cannot promise that every single item of information will always be safe, which, on the record of the past year, is a gross understatement. There are real fears that Britain is turning into a surveillance society, with local councils stretching powers under the Regulation of Investigatory Powers Act 2000 to monitor dustbins and dog fouling and to trail children home from school to check their catchment areas.

The thirst for headlines and the inflation of ineffective bureaucracy and legislative hyperactivity distract the Government and successive Home Secretaries from the real job at hand: getting more police on the street with the single imperative of cutting crime, and a dedicated border police force to reverse our current vulnerability, which has seen the street value of cocaine and heroin slashed by almost half, while estimates show that the numbers of young women and girls trafficked into prostitution have quadrupled.

I should say at this point that I entirely welcome the fact that the Government have signed the Council of Europe protocol on human trafficking. I am also delighted that they moved on this matter after we indicated to them very firmly that they should and that they would have our full support when they did so. I am slightly distressed by the fact that it has still taken quite a long time between that assurance being given to the Government and the piece of paper actually being signed.

We also believe that we need practical measures such as lifting the ban on using intercept evidence in court to prosecute terrorists to protect lives while protecting our way of life and preserving our liberty and our shared democracy. I am afraid that the consequences of the failures of the Government are plain at present. The Government are in fact very short of ideas, as is quite clear from a reading of the relevant sections of the Queen's Speech. They are scrambling to find answers to problems that are of their making and papering over cracks from 11 years of failure.

The proposals presented by the Home Secretary in the policing and crime Bill are particularly disappointing given the serious problems that Britain now faces. I know that Home Office officials do not always feel it necessary to keep the Home Secretary updated on what is going on, as we have discovered today, but does she accept the advice of Sir David Normington? I put this to her rather than to the Secretary of State for Justice. She claims that violence has dropped by 40 per cent. since 1997, which is contrary to Sir David's statement

that recorded crime statistics indicate that levels of the most serious violence are higher than they were 10 years ago. I hope that we can get a response later from the Secretary of State for Justice on that. Is Sir David wrong? He and the Home Secretary cannot both be right.

The Flanagan report on police bureaucracy set out a whole series of ministerial failures: perverse incentives given to the police in the way in which they handle crime reporting; a raft of targets; and officers straitjacketed by process—the entire product of Labour's effort over the last 11 years to use the criminal justice legislation to achieve those targets. The consequences for the police have been dire, as the Home Secretary is now being obliged gradually to admit.

The Home Secretary has not listened, which is why the police, despite all her promises, spend more time filling in forms than out on patrol. She has become obsessed by making political noise and neglecting to take sound advice. As a result, a glaring omission from the policing and crime Bill is serious and concerted action to deliver on all those bold pledges to release officers from the burden of forms, targets and red tape.

It is left to the Conservatives to provide a serious alternative for police reform: cutting the stop and account and stop and search forms; removing the bureaucratic hoops to allow police officers to charge in less serious cases; saving 1 million police hours per year; slashing the targets, which as Sir David Normington noted, have distracted officers from dealing with the most serious crime; and consolidating the excess audit that led one police force to face 15 separate inspections in a year.

The only substantive proposal for police reform in this rag-bag of measures is the proposal for elected crime and policing representatives to sit on existing police authorities. That looks to me a half-baked idea—a pale imitation of our proposal for elected police commissioners who would be responsible for local policing, directly accountable to the communities they serve and taking over the functions of police authorities. As I speak to senior police officers, it becomes apparent that there are serious concerns that the elected representatives are far more likely to lead to politicisation—*[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. We must not have sedentary interventions. They are quite disruptive to the debate.

Mr. Grieve: If the Minister for Security, Counter-Terrorism, Crime and Policing, wants to intervene, I shall be happy to take an intervention.

Chris Huhne: Will the hon. and learned Gentleman give way?

Mr. Grieve: I give way.

Chris Huhne: I find the growing consensus on both sides of the House on the need for some directly elected police authorities to be very welcome. However, I am worried about the Conservative party proposal for a sheriff, particularly in areas such as the west midlands, London, Merseyside and Greater Manchester with complex and diverse communities and substantial ethnic minorities. Is the hon. and learned Gentleman confident that his proposal can be sensitive enough to the needs of those communities, or will we see a repeat of the sort of policing that we had, and thought we had left behind at the beginning of the 1980s, which the last Conservative Government had to get out of?

Mr. Grieve: First, our proposals do not touch on London, precisely because an existing arrangement in respect of the Mayor is bedding in. Outside London, we believe that our proposals will be markedly better than what the Government are putting forward. The size of the police areas with which we are dealing would mean that it is most unlikely that a directly elected police commissioner would be hijacked by any single interest group. The problem I have with the Home Secretary's proposals—although we have yet to see the detail—is that a system by which we have directly elected members of the police authority who are also, as I understand it, to be chairing the crime and disorder reduction partnerships in the areas that they represent strikes me as much more susceptible to the very politicisation that our proposals are designed to avoid.

I hope that we will have an opportunity for a reasoned debate on that issue, because I am always prepared to listen to the Home Secretary but its strikes me that the Government's system is much more likely to create the problems that the Home Secretary is raising her eyebrows about than our proposals. In due course I will seek to persuade the Home Secretary, and doubtless the hon. Member for Eastleigh, that the ideas that we are developing—I accept that they are not fully finished in their detail—will offer a much better model than what the Home Secretary has in mind.

We share a common aspiration, which is to improve local accountability. My fear is that I do not think local accountability will be improved. I think that there is a much greater risk that single-issue politics may intrude, which the Home Secretary and I share a desire to avoid at all cost. Subject to that, I will listen carefully to the Home Secretary, but it would be wrong of me not to highlight my concerns about this aspect of the policy.

One cannot be in favour both of increasing centralised Government control and of handing back accountability to local communities; that is the other point I would make. The Government still think that they can direct policing better than the police and still think that they know local priorities better than local communities. Our policy will be to release forces from the iron grip of Whitehall and to vest real control over law and order at a local level.

May I turn to what has been said about trying to take action to seize the assets of the Mr. Bigs in the criminal underworld? It is a laudable aim, but one is bound to make the following point to the Government. They set up the Assets Recovery Agency in 2003, vowing to put the fear of God into criminal gangs living the high life from the proceeds of crime. It cost £65 million to set it up, but it managed to recoup a mere third of that in criminal assets. In fact, it failed abysmally. The Government swept it into the Serious Organised Crime Agency, but that agency's record is equally poor, missing by a wide margin each of the targets set by Ministers for forfeitures, confiscation and restraint orders. So now the Government are yet again proposing to create new law to try to address basic failures in law enforcement.

We have already touched on the issue of 24-hour licensing. We believe that a large part of the binge-drinking problem comes from the introduction of that reckless

[Mr. Grieve]

policy. The Government announced a tough crackdown on retailers, pubs and clubs, and Ministers are right to be concerned. Last year there were 1 million victims of alcohol-related attacks. Alcohol-related admissions to accident and emergency wards are up by a quarter, and 24-hour drinking has resulted in a 25 per cent. increase in late-night violence. These are appalling statistics, and the Home Secretary would do well to take account of them.

We have for months been calling on the Government to reverse the 24-hour drinking policy and to replace it with local authority control over licensing. We have also called for a ban on loss-leader alcohol sales, and I am glad that there appears to be some movement on that. A rise in tax on high-strength lagers, beers, ciders and alcopops would enable us to lower tax on lower alcohol drinks associated with responsible drinking. We will look carefully at the Government's review of happy hours and promotions, but on its own that is an inadequate response to the social problems that antisocial and binge drinking are causing.

We will also take a constructive look at the Government's proposals to create new criminal offences relating to prostitution and to tighten controls around lap-dancing clubs. I share the Home Secretary's wish for decisive action to be taken against those profiting from prostitution and human trafficking. Why, however, has she cut the Metropolitan police's human trafficking unit, which was the most effective such unit in the country, and why have convictions for trafficking for sexual exploitation halved in the last year from what was an already low and declining rate? *[Interruption.]* Do Labour Front Benchers wish to intervene? A private conversation is taking place, but I am happy to give way. The current much-hyped proposals will do nothing to provide the unequivocal signal that we need to send to those engaged in human trafficking that they will not go unpunished.

We now have the seventh immigration Bill since the Government came into office. That is the surest admission that they keep getting it wrong, but we will look carefully at their new powers for the UK Border Agency, and I was very pleased to hear today the unequivocal commitment that they will not require individuals to prove at random and without cause their identity just because they have been out of the country for any period. We also think that further tinkering with the points system will be no substitute for an overall annual limit on economic migration. The immigration Minister has now made the position clear on several occasions. Will the Home Secretary join in the consensus?

My hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb) will address in further detail the Justice Secretary's proposals to reform coroners' procedures, strengthen victim and witness protection and reform the law on homicide. I am sure that there is much in those issues on which we can engage constructively, but I will just make two points. First, any attempt to reintroduce the power of Ministers to remove coroners and juries from inquests will be firmly resisted. Secondly, we are pleased that the Government have dropped plans to reform the Sentencing Guidelines Council so that criminal punishments depend on the levels of prison capacity—a proposal that would further weaken the justice system and undermine public confidence. We cannot support attempts to weaken criminal justice just because the Government have failed to provide enough prison places.

We had at one stage expected the Government to introduce proposals for a new communications data Bill to provide wide new powers for the collection, retention and sharing across Government of even more personal data. It was reported last month that the Home Secretary's officials had advised that the original proposals were

"impractical, disproportionate, politically unattractive and possibly unlawful".

Can the Home Secretary confirm whether that advice reached her, and whether she agreed with it? I assume that she did because of her sensible decision to consult, which we entirely welcome. I suspect that the Home Secretary and her Department will have the sympathy of many Members across the House about the Home Office's legitimate concerns in this area. We will look carefully at any proposals that she presents, and test the justification, proportionality and safeguards rigorously, robustly and with an open mind.

The Government, and in particular the Home Office, now have one of the most extensive and intrusive security powers available anywhere in the democratic world. It is noteworthy that today one aspect of that—the collection and retention of the DNA of those who have never been charged or convicted of offences—has fallen foul of the European Court of Human Rights. I am delighted to learn that, and I long believed it would be the outcome to the challenge to the Government's incoherent position on the subject. It would be nice to learn during the course of today's debate how the Government intend to move to put right this wrong that has been perpetrated and that has caused immense upset to large numbers of law-abiding people, as I have routinely found from the letters I have received in my mailbag.

There are also concerns about the national identity card register proposal and the further attempt to force through the measure of 42 days of detention without charge. The Regulation of Investigatory Powers Act 2000 has been stretched well beyond its original focus of dealing with serious crime and terrorism, and we have the onset of a surveillance society that has been outpaced only by the rise of the database state.

The Home Secretary is wrong about the repeated suggestions from Government that if Members do not agree with any particular security proposals they care less about tackling the threat of terrorism than she does. I wonder what way of life will be left for our children if we do not start to get the balance right on matters such as DNA and surveillance and start to restore some common sense into our arguments, and if we fail to question, and if necessary resist with all due vigour, incessant Government requests for more oppressive and intrusive state powers. This is not ultimately a question of balancing security and liberty, because we cannot defend our freedom by sacrificing it. Time and again the Government have proved that they cannot be trusted with the powers and authority enacted by Parliament. That is one of the key issues we will have to address.

If ever there was a time to question the powers of counter-terrorism police and to test ministerial accountability over, and responsibility for, the unwieldy security apparatus built up over the past 11 years, and

to make the case for resisting the Government's periodic attacks on the right to trial by jury, it must be now, when a Member of this House has been arrested carrying out his work. Parliament itself—the heart of our democracy—suffers at the hands of what increasingly appears to be an unprecedented abuse of state power. It is an abuse of power that this Home Secretary says she knows nothing about and does not wish to take responsibility for. We need much better than that.

1.28 pm

Chris Huhne (Eastleigh) (LD): I am only modestly surprised to be called to speak so early in the debate, given that it is rather extraordinary that the—

Mr. Ellwood: On a point of order, Mr. Deputy Speaker. I am sorry to interrupt the hon. Gentleman, who has only just risen to speak, but is it possible to check whether the parliamentary Annunciators across the Estate are working? Judging by the numbers present on the Labour Benches, Members are unaware that this important debate is taking place, and perhaps they should be aware of it.

Mr. Deputy Speaker: The hon. Gentleman knows that that is not a point of order for the Chair.

Chris Huhne: The hon. Gentleman was making, in a rather different way, the very point I was about to make about the extraordinary absence of Members from the Government Benches for a debate that is about an issue our constituents, and voters in general, feel extremely strongly about. The question of how to tackle crime is frequently the No. 1 or No. 2 issue of most concern to voters. It is therefore extraordinary that the Government Benches are so denuded.

Our reaction to the Home Secretary's speech and to the proposals is that this is another example of what the Home Office is extremely adept at: using legislation as a glorified press release. We are to have the 26th criminal justice Bill and the seventh immigration Bill from this Government since 1997. Various of those Bills have been shovelled through this House so hastily that whole sections and clauses have not been considered at all and have had to be reviewed in the other place. We now know from parliamentary answers to questions tabled by Liberal Democrats that no fewer than 3,600 new criminal offences have been introduced by this Government since 1997, yet extraordinarily, the Home Secretary—who, sadly, is no longer in her place—assures us that one of her key priorities is to reduce the need for police paperwork and bureaucracy. The extraordinary creation of offences by the Government is massively complicating the job of law enforcement and of the whole criminal justice system.

Some of these offences are completely bizarre—for example, the offence of causing a nuclear explosion. The idea that anyone might cause a nuclear explosion without killing anybody, and therefore being subject to a possible charge of murder, is extremely far-fetched. It is perhaps reassuring for some on the Government Benches that were there to be a nuclear explosion that did not kill anyone, the perpetrator could, indeed, be charged. Other of the new offences include: wilfully pretending to be a barrister; disturbing a pack of eggs when instructed not to by an authorised officer; obstructing workers carrying out repairs to the docklands light railway; offering for sale a game bird killed on a Sunday or Christmas day; attaching an ear tag to an animal where it has previously been used to identify another animal; landing at a harbour without permission a catch that includes unsorted fish. I could continue that extraordinary list of new offences.

Mr. Straw: The hon. Gentleman has mentioned only one or two offences, from this list of 3,600, that he wishes to remove. On reflection, he may not really wish to remove the protections against the spread of bovine spongiform encephalopathy, to which he made cavalier reference a moment ago. As he is so concerned, and as he has obviously done a huge amount of research on these 3,600 offences, he should make public a full list of all the ones that he would like repealed.

Chris Huhne: I am grateful to the Justice Secretary for intervening in that way. When he wrote to me in those terms, challenging me to come up with a complete list, I replied offering him the chance to repeal certain of the more absurd offences that have been put on the statute book. I have still not received a reply to that letter, in which I assured him that as soon as those offences, such as causing a nuclear explosion, had been repealed, I would provide him with a new list of further offences that he could then work on repealing.

Mr. Straw: The hon. Gentleman is either making a trivial debating point or a serious point. The point that he makes all the time is that there are 3,600 new offences. I may question him on a number of those, but he says that he has culled his information from various parliamentary answers. The only conclusion to be drawn from his making that point repeatedly is that he does not think that these 3,600 offences should be on the statute book. He has mentioned about five of the offences. As it is his point, he should be responsible for providing us with a full list of the offences that he thinks should be repealed.

Chris Huhne: The Justice Secretary accuses me of making a trivial point, but I just wish he knew the difficulties we had in getting Departments even to list the new criminal offences that they have created. If he can assure me that, when we follow up those questions by asking those Departments for a full list of every new criminal offence, he will instruct his colleagues not to rule our request out of order on the grounds that it involves disproportionate cost, I will be delighted to give him a full list. If the Government can be less obstructionist in how they answer parliamentary questions, perhaps Opposition parties will be able to do that. He knows perfectly well that I have given him very good clear examples of absolutely absurd offences that have been put on the statute book, and he has done nothing to repeal them. I can give him chapter and verse and can continue through this list. Frankly, it is not good enough for the Justice Secretary to ask the Opposition to do something that he, in government, ought to be able to do.

I very much welcome what the Home Secretary said, particularly about how the provisions in the draft legislation on identity checks, which it would seem have been misinterpreted, will be implemented. The key issue has always been the potential for extending legislation beyond its original intention when it is put into practice. We

[Chris Huhne]

have seen that happen time and again, for example, in the application of counter-terrorism legislation to stifle the heckling of the Justice Secretary—as he now is—at a Labour party conference: Walter Wolfgang, a Labour activist, was arrested under counter-terrorism legislation. We must be very careful to ensure that legislation is not extended in this way.

I very much welcome what the Home Secretary said about the ratification of the protocol on human trafficking. Ratification is well overdue and I am delighted that it is to go ahead. One of the key issues for the Home Office must be implementing the legislation already on the statute book, given that most serious offences have been on the statute book or in common law for many decades, rather than indulging in this extraordinary exercise that we have every year of introducing yet another criminal justice Bill and yet another immigration Bill as a substitute for doing something about implementing the law that we have.

There is much to support on the police Bill, precisely because it represents a massive U-turn on the central targets that have been a key feature of the Home Office's attitude towards the police since 1997. The Green Paper, the consultation and the response are now saying exactly the right sort of things about local accountability and cutting red tape, but, of course, substantial differences remain between the parties on how that accountability should come about. I listened with interest to what the hon. and learned Member for Beaconsfield (Mr. Grieve) said about the Conservatives' proposals, but I am not persuaded that their proposals for a single elected sheriff for a police force would avoid the problems of populist posturing, Robocop-style campaigning and confrontational politics that he says it will. The differences in this respect between the Government's proposals and the Conservatives' proposals are minimal, and bring to mind Dr. Johnson's quote that he would not debate

"the point of precedency between a louse and a flea."

Mr. Grieve: The hon. Gentleman is mistaken. First, there is no question of having Robocops. The elected commissioner—he would not be called a sheriff—would not replace the chief constable, whose operational independence, which is a subject we have touched on earlier today, would be entirely preserved.

The elected commissioner would be able to do two things. First, he would be able to produce accountability through his contact with the chief constable, and the fact that he would be informed of what is going on and would be able to feed in his ideas and those on which he stood for election. Secondly, if he were doing his job properly, he would be able to provide leadership throughout the police area that he represents, in galvanising the councillors and the crime and disorder reduction partnerships into better co-operation with the police. That is a sensible way forward.

Chris Huhne: I am grateful for that clarification, but it does not reassure me in one key respect. The single elected commissioner, or the multiple mini-commissioners proposed by the Home Office, would be elected by the first-past-the-post system. That would be the first time that any new body had been elected under that system since 1997. We know from peer-reviewed academic literature that if elections are carried out under first past the post, the resulting body is substantially less representative in terms of both gender and ethnic minority than is the case with other electoral systems—*[Interruption.]* Well, the Justice Secretary uses unparliamentary language to say what he thinks of that particular point, but I would be happy to send him the references for the literature I mentioned.

If we were to go ahead with the Government's model for elected police authorities, there would be the most extraordinary results. I have asked the Electoral Reform Society to analyse the likely results of electing one person for each crime and disorder reduction partnership. On the basis of the 2007 election results, the Government—I am told they are a Labour Government—are proposing a system under which the Conservatives would win 65.2 per cent. of all the police authority seats in England outside London, despite polling only 38 per cent. of the vote.

Mr. Grieve: The hon. Gentleman should not assume that we desire to introduce a system that would necessarily lead to individuals standing under political labels. I envisage a system that might even lead to cross-party support for individuals standing for such posts.

Chris Huhne: Given the knowledge that we share of how the British political system has developed over many decades, the hon. and learned Gentleman's point is a trivial one. Independents in local government are an endangered species: they are on the way out. We may regret that, but the likelihood of our being able to revive that endangered species is limited. We have to work with the world as it is, and I would have thought that that point would appeal to Conservative Members, who have traditionally regarded themselves as realists—but apparently it does not.

If the Government were to introduce legislation along the lines that they have suggested, the Labour party would lack any elected representatives on 10 police authorities, and it would have only 10 members out of 176 in the three southern regions—the east of England, the south-east and the south-west. That would mean the most extraordinary disproportionality in representation in various parts of the country. Inevitably, those elected would be badged by political party, and the Conservatives would have an overall majority of elected representatives on 26 police authorities—the majority of those in England—on a minority of the vote.

There are two really key issues. First, the bodies simply will not be representative of the complexity of the populations in police force areas. That may not matter so much in rural and homogenous areas, but it would matter in urban areas outside London. I take the point made by the hon. and learned Member that his proposal would not apply to London, although he does suggest that the Mayor should hold the police to account in London. The question then is whether the Metropolitan police authority would be able to hold the Mayor in check—

Mr. Grieve: At present, we have no intention of changing the system presently in place in London. It is in its infancy, and doubtless all parties will wish to look at how it functions, but the present position is that we do not intend to touch it. It would be foolish to try to do so when it has only just come into existence.

Chris Huhne: I am glad that we have some agreement that the system in London, which appears to be quite a good system, should continue. However, I am slightly mystified why, if the Conservatives think that the system for London is relatively good—it involves the election of the GLA by proportional representation, followed by the selection of the MPA—they ignore those lessons for the rest of the country.

In complex urban areas, with substantial ethnic minorities, such as Greater Manchester, Merseyside and the west midlands, the Conservatives' proposal—and to a lesser but almost equal extent, the Government's proposal—would ensure that the people elected as commissioners and members of the police authorities would be white, middle-class, middle-aged men in suits. They would not represent the genuine differences, especially ethnic ones, in police force areas. That worries me, because it would set up exactly the sort of problems that led to the riots in Brixton and cities such as Bristol in the early 1980s. If a potentially confrontational system led to the populist election of a single commissioner or a single person in each crime and disorder reduction partnership, it is likely that the police authority would be insensitive to the rights and freedoms of minorities in that area. If that happened, policing by consent would be substantially undermined, and that is a serious danger.

When I have talked to senior police officers about this matter, they have been very concerned by the potential introduction of populist and confrontational politics into the system—as proposed by both the Government and the official Opposition.

Mr. Straw: I hold no particular brief for the Conservatives' proposals, but the hon. Gentleman's reference to the Brixton and Merseyside riots is complete tosh. If he scoured the Scarman report, he would be unable to find any suggestion that the causes of those riots included "populist policies" being followed by local politicians or, in the case of the Metropolitan police, by the late Willie Whitelaw, who was the antithesis of a populist.

Chris Huhne: The Justice Secretary deliberately confuses two things that I said. We had at that time serious concerns in ethnic minority communities about the use by the police of stop and search powers, which were clearly part of the lead-up to the riots, especially in Brixton. The only point that I am attempting to make—I am surprised that he finds it difficult to grasp—is that problems will arise if the political authority running a police force in an area with a substantial ethnic minority population is not sensitive to the sorts of issues that created major problems with public disorder in the early 1980s, including the insensitive exercising of police powers. The Government should take that point into account when they put forward their proposals, because in their present form they would mean the under-representation of ethnic minorities and women, leading to the consequences that I have outlined. I hope that the Government will have reconsidered their position by the time they actually introduce the legislation.

Mr. Mark Field: Given the hon. Gentleman's passion for proportional representation, how would he try to rig the PR system to ensure that there are no members of the British National party on any of those police authorities?

Chris Huhne: I have absolutely no suggestion that we should rig any system. I take a democratic view: if there is a system—as is the case in London, with the GLA—whereby BNP members are elected, they are elected. They do not get very far when they are elected, and are often revealed for what they are. All the rest of us who abhor their politics can then point out how useless they are. In a democracy, that is the correct way to deal with those people; it is not to try to sweep their views under a carpet and pretend they do not exist, but to introduce the best disinfectant of all in the political system—sunlight—to get some transparency and reveal them for the odious characters they are, and beat them.

Mrs. Cryer: I am not sure that the hon. Gentleman understands the damage the BNP can do in positions of democratic accountability—so-called. There were two BNP councillors in my constituency who were absolute poison and did great damage to inter-community relations. I am not sure that he takes that into account.

Chris Huhne: I fear that the hon. Lady and I will have to disagree on that point. I yield to no one in my abhorrence of BNP politics and I would be extremely supportive of any mainstream party that fought the BNP, but the correct way of doing that in a democratic system is openly. I am shocked that the hon. Lady implicitly suggests that we should introduce a ban on that party because we do not approve of its politics. We have a long and honourable tradition of giving vent to political views, including those of authoritarian and totalitarian traditions on the left and right, and the correct way of making sure that those people do not get a grip on our politics is by getting them out in the open and fighting their politics, and ensuring that their voters understand that the mainstream parties are addressing the issues voters care about. The main reason why a party such as the BNP grows in importance is precisely that so many of our voters feel alienated from a political system that is broken, because this place and other aspects of our political structures do not give adequate vent to people's views or deal adequately with their grievances. In a number of areas, the Liberal Democrats have shown that where we can campaign on the basis of community politics and ensure that people's local grievances are dealt with, the swamp that allows the BNP to fester is drained. That is the correct way to deal with the BNP—nothing else.

Mr. Mark Field: I entirely agree with what the hon. Gentleman has been saying about the BNP, but when he talks about populist politics, does he not understand that it is precisely in the areas of law and order and immigration that PR systems along the lines that he recommends will give the BNP the oxygen of publicity?

Chris Huhne: I am far more worried about the possibility that a populist, who was not necessarily badged under the BNP logo but might be running as an independent or whatever, could secure election in some part of the country under the proposals of the hon. Gentleman's Front-Bench colleagues, or could be running a crime and disorder reduction partnership under the Government's proposals. Those seem to be real risks, so if we want to avoid confrontational politics in holding our police forces to account, and if we want to make sure that police authorities are genuinely representative of all the

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strands of opinion and the different groups and minorities in their force areas, we must look again at what the Government propose, and we must not go the way that the Conservatives suggest.

There is much to be welcomed in the proposals for crime mapping. As I said, I welcome extra transparency, and if we can reach a situation whereby people, locally, where it really matters, understand what is happening to crime—and, by the way, to clear-up and detection rates in their area, which are not included in the Government's proposals—we can increase reassurance that crime is being adequately dealt with. That is important.

I agree with the hon. and learned Member for Beaconsfield that there are real doubts in the public mind about the integrity of crime statistics, in part because it is easy to point out contradictions between the recorded crime figures and the British crime survey figures. I have little doubt that the BCS data, for reasons that Conservative Ministers gave when they were last in government, are the best for assessing long-run trends, but I should like the Office for National Statistics not to have a mere tick-box regulatory role but to take direct, hands-on responsibility for the statistics. I can remember the 1980s, when the Conservative Government changed the definition of unemployment almost every other month. By the end of the decade, public faith in the unemployment figures had virtually disappeared, and it was necessary to re-establish public faith by ensuring that the figures were seen to be collated by an entirely independent body removed from those using the data to make political points. I very much hope that there will be broad consensus for the proposals.

We are very much in favour of many of the measures that the Home Secretary has announced in this place and elsewhere. Many of them were trailed in the press—not, I suspect, a leak but a brief: in government, "we" brief, but "they" leak. There were a number of briefings, which seemed highly orchestrated, about the advantages of ending binge drinking with measures to restrict promotions and super-cut-price deals. Much of that, however, is to use legislation as a press release rather than using existing legislation to increase the number of prosecutions of off-licences for selling to people who are under age.

That problem is extraordinarily prevalent. One survey suggested that 40 per cent. of establishments selling alcohol are prepared to sell to under-age drinkers, and do so—yet the existing law is poorly applied. There has been an increase in the number of prosecutions relating to the sale of alcohol to under 18-year-olds; in England and Wales, the figure has increased from 105 in 2002 to 854 in 2006—the latest figures available to me. However, in comparison with the scale of the problem—if it really is the case, as the survey suggests, that 40 per cent. of establishments are selling to under-age people—the number of prosecutions is still just scratching at the surface. We need to be much tougher in dealing with this issue.

The Home Secretary spoke about the immigration Bill. The Liberal Democrats will support the Government's commitment to the integration of ethnic minority communities, which is absolutely crucial and a vital part of ensuring that a proper immigration policy works, but why are the Government cutting funding for non-English speakers? There has been a 39 per cent. plunge in non-English speakers enrolling on English language courses: the number is down from nearly 550,000 to 335,000—the lowest since 2001-02—*[Interruption.]* The Minister for Borders and Immigration suggests that the figures are somehow false, but they come from the Government's answers to our parliamentary questions.

The Minister for Borders and Immigration (Mr. Phil Woolas): The hon. Gentleman is making an important point, and I am grateful for his support for English language courses, but we have to look at the totality of expenditure on English language courses, not just the particular figures he has cited. However, I take his point.

Chris Huhne: We asked for the total expenditure in this case, and the answer that we got was very clear. I am afraid that it does not bear out the suggestion that there has been any increase in Government funding. The budget for English language lessons for immigrants was cut by £9 million last year, from £298 million to £289 million. The figures show, as I said, a 39 per cent. reduction in non-English speakers enrolling on English language courses. Again, a theme, certainly a theme of everything that the Government have been doing in this respect, is one of good intentions carefully flagged up in the use of legislation as a press release—but where is the implementation? Where is the delivery?

I am very pleased that the communications data Bill has been dropped. I hope that that truly Orwellian proposal will not come back, as it would have created an expensive database of phone calls and e-mails, and, frankly, would have been an extraordinary intrusion into civil liberties. We have not heard—I hope that we will be told by the Justice Secretary in his winding-up speech—how the Government intend to react to the very firm decision today by the European Court of Human Rights about retaining the DNA samples of those who are innocent. Given the results, that is an extraordinarily firm decision. I cannot remember, in many years of observing the European Court, a 17-nil decision—completely unanimous—that the Government's position is contrary to the European convention on human rights.

If the Government want a sensible policy on what samples should be held on a DNA database, they should get rid of all samples from innocent people—as they must now do, I believe, as a result of the European Court ruling—and they should start a programme to collect samples from people who were convicted before 2001. We now know that more than 2 million people who have been convicted of a criminal offence are not on the DNA database, because they were convicted of committing a crime before 2001. So we have a ridiculous topsy-turvy Government policy of accreting samples from innocent people, children and others who are under age. That is absolutely useless in improving the conviction rate, as we now know, yet we have not been collecting data samples from people who were convicted, although that would be much more effective. Again, I am pleased that the Home Secretary has made it clear that there will be no question, other than at our borders, of having police and other official powers to check for identity cards.

I have been talking for rather longer than I wanted to, because of the interventions, but let me say something about the coroners and justice Bill. I am still suspicious

of what may be the Government's intentions on that Bill. There is no doubt that we need reform, that speed and timeliness in coroners' inquests are a real issue, and that it is crucial that bereaved families can get an inquest rapidly. However, the Government's proposals in the counter-terrorism Bill, now dropped, were horrendous, and they must not be resuscitated. Coroners' inquests are an essential bulwark against the abuse of state power, as they establish what happened if a death occurs, particularly in custody at the hands of an agent of the state. They were initiated precisely because we could not trust the Tudor secret service to perform its duties unless deaths in custody were properly investigated.

Greg Mulholland (Leeds, North-West) (LD): On a specific and important point, in the wake of the inquest into the tragic death of my constituent, Imogen D'Arcy, who committed suicide at the age of 13, having accessed suicide websites, campaigners on the issue, including the all-party parliamentary group, Papyrus, the Samaritans and the D'Arcy family, warmly welcome the announcement that the Government will tighten the law on suicides in connection with websites, but that needs to be explained properly. We believed originally that that would come under the Suicide Act 1961, rather than the coroners and justice Bill. Will the Government give us more clarification, particularly a timetable? People want to see change as soon as possible.

Chris Huhne: I am grateful to my hon. Friend for his intervention, and I hope that the Secretary of State for Justice—or someone else who was listening—can deal with that issue in the wind-ups.

Before I finish making the point about coroners playing a crucial part in holding to account the abuse of state power, let me say that we welcome and will support many other aspects of the proposals. We do not, however, feel that the police reform proposals go far enough. We have argued—on police pay review, for example—for a complete review of the police contract. For example, an issue that we do not hear about from either Conservative or Labour Members, despite its pertinence in current circumstances, is the very restrictive nature of the single point of entry for chief constables.

Broadly, people should come into the police force from the bottom, and there is an honourable tradition, as in the French army at one stage, of every corporal carrying a field marshal's baton in their knapsack. However, with complex issues such as the prosecution of fraud, for example, where a degree in accountancy and some experience as a forensic accountant might be of considerable use to someone leading an investigation, there must be enough exceptions to bring in people if they have particular expertise. We would like to open up the issues regarding the police contract such as lifetime employment, pay linked to seniority, pensions and the effectiveness of the incapability procedure.

We must also touch on the subject of prostitution. I am sure that every hon. Member wants to protect women from exploitation, but the sort of proposals that the Government have made for a Finnish system of criminalising clients indirectly has a very poor record of successful prosecutions, and I do not believe that that is the way forward.

Overall, there will be elements that we welcome and others that we criticise. I hope increasingly that we can find some consensus about what works in criminal justice, rather than finding ourselves locked in populist battles about retribution and vengeance—which the Secretary of State for Justice is quite keen on, as a political theme. Surely, the key issue for any hon. Member who is concerned about cutting crime should be what works. In that context, we are a very long way from taking on board the evidence from the United States—nor do we spend as much as we should on research to find out what works here. If we did, the Government would be much less disposed to be a threat to our civil liberties than they have proved to be since they were first elected in 1997, and the essential conflicts that inevitably exist between the use of state power in going after criminal activity and the defence of our civil liberties would be less acute if we could anchor the criminal justice debate rather more firmly in real evidence of which interventions work, and at what stage.

2.8 pm

Mr. Mark Field (Cities of London and Westminster) (Con): For what I fear will be the first of many years to come, the Queen's Speech unashamedly focuses first and foremost on economic issues. Long before the nation was firmly awoken from its slumber to the magnitude of our collective debt crisis by the frightening figures contained in the Chancellor's pre-Budget report last week, some of us had repeatedly warned in the House that, instead of building a secure future, we have been borrowing from it. In truth, the state of the public finances has been a national disgrace for some time. Now, already unsustainable debt levels look set to soar for years to come.

I make few apologies, as the Member for Cities of London and Westminster, for focusing on economic matters, but they will inevitably have an impact on home affairs and justice going forward. Over 11 years of Labour administration, too much Government borrowing has been funding current consumption. Now, in this time of economic crisis, we seem intent on continuing that approach; but as a strategy, it is neither prudent nor sustainable.

Our nation stands at a crossroads. I fear that by blindly following the Government's path, with the many bits of legislation that have been announced in the Gracious Speech and in the past 24 hours, we are condemning future generations of Britons, including those still to be born, to pick up the bill for current welfare, health care and pensions provision, as well as for all the other expenditure on various Home Office experiments in the past decade or so and in years to come. In that way, we risk our nation's permanent demotion from being a global economic player as the financial crisis allows commercial and financial power to move firmly eastwards, particularly to the emerging economic superpowers of India and China.

Far from encouraging the unchecked growth of the state in these times of trouble, for the electorate, we must tell it as it is: the apparently limitless era of cheap and easy money is firmly behind us. An increase in state intervention, as we have seen in recent weeks, may soften the financial blow in the immediate term, but the looming level of interest payments alone on our rising debt risks lowering living standards for decades to come. That will have quite an impact on a range of social issues and social divisions within our society.

Last week, the Chancellor of the Exchequer confirmed what many of us have long suspected: this year's overspend will far exceed the £43 billion that was predicted as

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recently as the March Budget, and will rise to £78 billion. It will then reach a colossal £118 billion in 2009-10, always assuming that the Government can, for the first time this century, not overshoot their projected public sector deficit. By 2012-13, the nation will be battling with a net debt that will account for 57 per cent. of gross domestic product, with £350 million being spent in excess of tax receipts every day of the year. That prediction is based on the Government's own figures, which have been shown to be selective and perhaps hopelessly optimistic in the past. It takes no account of expenditure on Network Rail, the cost of bailing out Northern Rock, Bradford & Bingley, Halifax Bank of Scotland and the Royal Bank of Scotland, or of the off-balance sheet financing of public infrastructure projects.

The figures are now so unfeasibly vast that I fear the general public remain blissfully unaware of the seismic implications of the unprecedented level of Government debt that is now locked into the system. The recent banking bail-out, following the credit crisis, has provided the Government with an alibi for the exorbitant levels of public debt, which were already spiralling dangerously out of control. We must ring-fence the billions accrued for the bail-out and the Government's recently announced £20 billion fiscal stimulus plan from the enormous sums that were already on and, indeed, off the public balance sheet.

If this Queen's Speech is to mark a departure from the past, the new spirit of the age should be for value for money out of the public purse. I fear instead, however, that the idea of big Government as an ever-benevolent cash cow is entrenching even further. The notion that however bad things get financially for the individual, the state will move to soften the blow, has only been increased by the Government's intervention to protect depositors in Northern Rock, Icesave and others, as well as by the Prime Minister's latest announcement, only yesterday, of a two-year benefit, in relation to mortgage payments, to families with children and to pensioners. The Government are returning to their comfort zone, with an economic narrative of interference in the name of protecting the public through continued high spending.

For sure, no Government can sit idly by; I accept that current events are epoch-changing, and that in decades to come people will look back on these months when they consider economic history and important decisions that have to be made. We should not be immune to the pleadings of those who bear the economic brunt of these hard times. In many ways, those pleadings will become ever stronger in the next year, as we all know, as the apparent economic crisis becomes much more evident to many of our electors. Equally, however, it is important that any action that is taken to soothe our financial troubles is taken responsibly—I might even say prudently—and with a firm eye on our long-term economic future.

It is imperative that the public are given a reality check. The servicing of the colossal debt that we have already racked up, let alone the somewhat irresponsible spending that is still to come, risks lowering living standards for many years to come. Above all, it will soon dawn on a new generation of younger voters that the unspoken message of the political class, across political parties, to anyone under 30 is that their generation will need not only to fund the cost of pensions for those who are older now, but to lower significantly their own financial expectations when the time comes for them to retire.

The availability of cheap goods such as clothes, technology and alcohol has created a false sense of material wealth in the young. The longer-term prospect of paying off huge student debts is something that, I am thankful to say, my generation—I am only 20 years out of university—has never had to be concerned about. The rosy future that is envisaged of enjoying a standard of living as good as one's parents, experiencing a decent pension in a retirement that is likely to last for decades and expecting the generous range of state benefits that those in retirement currently take for granted will be unsustainable for the younger generation that is growing up.

Any failure by the Government rapidly to grasp that nettle risks bringing about serious social unrest in the years ahead. Our society will become economically divided as never before between old and young, as I have pointed out, between those who work in the comparatively secure and well-pensioned public sector and those in the private sector who are reliant on private wealth creation, and between those with globally transferable opportunities and skills, such as Members of the House, and those in an increasingly large tail of low-skilled, chaotic lifestyles.

I have seen such divides even in my constituency. Labour Members are often sceptical about what life must be like in Westminster, but the community is very polarised. Of course, there are tremendous pockets of wealth in places such as Belgravia, Knightsbridge, Mayfair and Marylebone, but in parts of my constituency, in Pimlico and Bayswater, many people live chaotic lifestyles. They live the sort of lifestyles that probably horrified people when they heard about what happened to baby P only a few miles to the north in Haringey. I, as a Member of Parliament, and my local councillors, can understand that although that sort of thing is not exactly a norm, it is not entirely out of the ordinary. Such events are worrying signs of the polarised society in which we live. That level of polarisation has always been fairly apparent in our capital city, certainly in central London, but I fear that it is becoming even stronger in many other parts of the country, and that it will have profound impacts on the whole issue of justice and the way in which we tackle law and order in the years ahead.

In addition, we must ensure that the public understand the international implications of our country's continued indebtedness and severely weakened economic clout. We are witnessing the first signs of a seismic and rapid shift of power from the United States and Europe to China, India, Russia and even the Gulf states. The near collapse of the global banking industry is not just an issue of restoring confidence, important though that is, and the Government have tried to take important steps in that direction; it is also about the trust of our electors and of those who use the financial services industry. However, those issues will only accelerate trends that are already in play. The US economy may never recover its dominant position in global markets, and we have to accept that the City of London's position as a leader in the provision of financial and business services will be sorely tested in the years ahead.

In the midst of all the damage and destruction to the value of the west's financial resources, we face a major loss of economic power and international prestige. Put simply, money is power, and such financial means go hand in hand with global political leadership. The bail-out of US and European banks will be underwritten by the flooding, in the global capital markets, of US and European Government bonds, which will be mopped up by cash-rich sovereign wealth funds, particularly in China, the Gulf and Russia. The power that this money buys will allow them to exert far more political influence, and I believe that in places such as China and Russia, that will be backed up by military force around their borders. I fear that the model of democracy, open societies and free markets supported by the G7 will be sorely put to the test in the years to come.

In recent months, we have seen that one of the few impediments to Russia exercising military power beyond its borders is the influence of an educated, wealthy and fast-growing domestic middle class. To date, India and China—beyond their problems in Kashmir, Burma and Tibet—have shown relatively little interest in exercising their own military muscle. I believe, however, that as their global financial clout becomes more apparent, so too will their appetite for interference in world affairs. I also fear that some elements of the Islamic world will have regard to the west's ongoing economic crisis. In spite of the Government's projected figures, this crisis will not have gone away by the end of 2009. It is a crisis of economic confidence that will take up the rest of this decade and continue well into the 2020s. We have to ask who in the west will have the financial clout, let alone the political will, to spend money on policing any new flashpoints in the middle east or in parts of Asia.

I have visited China three times in the past five years, and I have been blown away by the pace of development there. If the US and Europe lose their moral leadership in the management of global financial markets, there is little doubt that, within a decade, the west will be forced to accept China as an economic and political equal.

I have also visited India twice since 2004. It is a nation under the international spotlight, as the monstrous hand of terrorism visited the great commercial city of Bombay last week. I am pleased that my own police force in the City of London and many other institutions under the Home Office have played a role in assisting India with aspects of terrorism in the past, and I hope that they will give it a great deal of co-operation in the future.

India has been sadly familiar with terror attacks, but the scale of the assault on Bombay, and the western targets involved, bestow on that city the dubious honour of being considered a global financial centre worthy of such an intricately planned outrage. As appalling as recent events have been, I also believe that they have exposed India for the first time in the eyes of many westerners as a real force to be reckoned with as a country. Bombay's debut as a prominent item on global news bulletins might be viewed in retrospect as the formal recognition of its growing prominence in the international financial system. There is no doubt that that outward-looking, cosmopolitan, dynamic city will bounce back with resilience and confidence, as it services an ever stronger internal market and continues its search for global trading partners.

Let us make no mistake: a formal shift of power eastwards will present opportunities as well as challenges. Our nation must be ready to exploit those opportunities, but I am increasingly concerned that the twin burden of high levels of public and private debt, along with a rudderless, untrusted financial sector, risks the movement of global business away from our shores. No doubt we will also face the emergence of deep social divides, should we continue down the dangerous path of consuming today and making future generations pay tomorrow for what we consume.

As a great defender of free markets, free trade and global capitalism, I am willing to bet that, while the Government currently have an important role in stabilising and revitalising our confidence-battered economy, it will eventually be hard work, enterprise and freedom in the marketplace that will ensure that our economy thrives again. If the best of economic times are to lie ahead, the moral and economic case must also be made for a smaller, more efficient state, and the untapped appetite among our fellow Britons for financial discipline and prudence must be encouraged.

We face letting down a whole generation, but the Conservative party already has a wide range of solutions to our declining competitiveness through our education and social affairs agenda. Long term, we must focus on promoting diverse and versatile skills, aspiration and mobility among our population. Yes, there is no doubt that the state must offer some security in these times of extreme need, but that aspect of its function should not overshadow the long-term importance of promoting flair, innovation and entrepreneurial spirit. It is only through those three factors that we can ensure prosperous times ahead.

I am sorry that my message is slightly negative and depressing, but we are living in difficult times. I hope that the Government will take on board many of these issues, including the many long-term concerns that should be in the forefront of our minds as we look in the short term at the proposals in the Queen's Speech. I look forward to hearing other Members' contributions, even if they stick rather more closely to the home affairs and justice agenda.

2.25 pm

David Davis (Haltemprice and Howden) (Con): I shall be extremely brief, lest I lose this enormous audience. I want to focus on the famous, and regular, line in the Queen's Speech:

> "Other measures will be laid before you."

A number of measures are not in the Queen's Speech. One has been promised in the long run by the Government, and I shall make an argument for accelerating it. Another was promised in the draft Queen's Speech, but has been deferred. A third has been made necessary by this morning's judgment by the European Court of Human Rights.

During the course of this year, we have had serious intellectual battles over the counter-terrorism strategy. Much of that has been about freedom and individual rights, but a good deal has also been about how successful the strategy is, and how successful it needs to be. The Government have rightly said that the threats to our people are increasing on a day-by-day basis, that they are growing by about 25 per cent. per annum, and that

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they are difficult for the police and the other agencies to deal with. That is an argument that the Government have put forward to support repressive measures, including the proposed increase in detention without charge from 28 days to 42.

The first missing Bill that I want to discuss is the Bill to allow the use of intercept evidence in court. If we had such a Bill, we would not face the problems that we are facing today, with a provision for 28 days' detention, let alone 42. In our debates, we have often raised the issue of the United States. After 9/11, the US faces at least as great a terrorist threat as we do, yet it seems to cope with it much better than we do. It is able to bring charges within two days of arrest, and full indictment within 10 days. It can do that because it has a combination of laws that allows it to act without visiting injustice or oppression on its people. Among the most important is its ability to use intercept evidence.

Earlier this year, I visited Washington and talked to representatives of all the counter-terrorism agencies and of the Department of Justice. I had the advantage of being able to talk to the Deputy Secretary of State for Justice who dealt with terrorism. He told me in some detail about how intercept worked. He made it clear that the use of intercept evidence in court was fundamental to two types of judicial success. One was in dealing with terrorism, and the other was in dealing with gangsterism—the mafia and organised crime. They are similar targets in many ways, and it is true to say that the American judicial system has had fantastic success in dealing with gangsterism and considerable success in dealing with terrorism. It all hangs on intercept.

The Deputy Secretary of State for Justice talked us through a case. The first thing he said was, "If we have any of these cases, the jury wonder where the juicy tapes are"—his words—"if they do not hear them in court." Juries have come to depend on the intercept evidence as a central part of the judicial process. The US process involves a two-stage approach. The first is a so-called CIPA—Classified Information Procedures Act—hearing, at which it is decided what can be presented to the court. In his words, "If we win the CIPA hearing, the case goes straight to plea bargaining." There is almost never a full case thereafter.

That is very different from our major terrorism trials. In the past couple of years we have had enormous trials at huge cost. I am thinking not just of the cost in money terms. The cost of the paralysis of our agencies in supporting those court cases is incalculable. It is extremely important that we understand the power of the intercept evidence usable in court, particularly in conjunction with a reasonably aggressive approach to plea bargaining, especially with the minor players. If we succeed in that, we will achieve a number of things. We will make it possible to try more people, to convict more people, to convict them with greater safety, and to convict them faster and more cheaply than we do at present. There are enormous benefits to be had for us, and we are probably the country in the world that would gain most from the use of intercept evidence, so it is rather surprising that we do not have that already.

The Government have, quite properly, set up an advisory committee that is working on the matter. My right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) is a member of the committee. I spoke to him before the debate. He said that the committee was working hard on extremely complex matters. I will not be present for the winding-up speeches, unfortunately, but I hope that the Secretary of State for Justice and Lord Chancellor will be able to tell us that the committee will not be short of resources. If it were inadequately resourced, that would be a considerable false economy. I should like to see the relevant Bill brought forward.

The Bill that was missing, which was mentioned by the Liberal spokesman and by my hon. Friend the shadow Home Secretary, is the communications and data Bill. It was in the draft Queen's Speech, but not in the most recent version. The Bill has gone for consultation in early 2009, and I understand that we will get a published Bill thereafter. I suspect that it was pulled because the central component of it, the idea of an enormous database of, effectively, intercept data—data showing e-mail addresses, phone calls and internet accesses—was seen as horrifically unpopular when it eventually became widely known that that would happen. It would make the argument over 42 days look like a picnic. In the public view, unlike a 42-days measure, it would appear to impinge on everybody's privacy and therefore be enormously unpopular.

As in the case of 42 days, I talked through these issues with the agencies and the police forces. I had all sorts of secret briefings. I hope nobody will go to prison for it. The outcome was pretty straightforward. Telephone and internet data are already retained by the companies as a result of European directive 2006/24, from memory, so there is no question of the data being there or not being there. The simple question is whether the data should be held in a huge database by the state. That has all sorts of enormous disadvantages. There will inevitably be suspicion about why it must be held there, as it does not add a jot to the available information.

The only worry one might have in that respect is that although getting such data out of the companies requires an explicit warrantry process—rather relevant in the House today—and therefore requires our agencies to be under proper control and under the law, one could not be quite so confident about a central database. There is also a fear that we might see attempts at data mining—trying to spot suspicious characters through their telephone and e-mail records. Such an ambition, if it exists, would be daft. Most of the evidence on data mining shows that it is pretty ineffective. Nevertheless, it would be a massive intrusion on people's privacy.

I hope that if and when the measure comes back, it comes back without that database. If it provides for such a database, the Government can guarantee themselves an interesting year of battles on the matter. Indeed, I can guarantee the Government an interesting year of battles on the matter. I want to see the ability to intercept, as I said in my opening argument. I want to see the agencies able to do what they need to do. What I do not want to do is to give any agency of Government the ability to go on a fishing expedition without proper warrantry control. It is very simple. My understanding is that most of the agencies and the police forces agree with that, and that only one or two agencies have a different view. The Government and the Home Office must be firm with them and make it clear to them that that is not acceptable to the British public.

Both Opposition Front-Bench speakers have also touched on the last issue that I want to mention: today's excellent judgment—I never thought that I would ever say this—from the European Court of Human Rights. I would have been much happier if we had made the decision ourselves. I do not think that the main Opposition parties differ much on human rights; the issue is about who should make the decision about them. However, the ECHR judgment is excellent—and, as the hon. Member for Eastleigh (Chris Huhne) said, its unanimity is outstanding. I thought that the decision would be split, because it was taking so long to come out, but it was not.

Chris Huhne: It was the time they took to count.

David Davis: Yes, it could have been the time taken to count the votes, although I sort of doubt it.

Where are we now? As it stands, the law is that police guidelines allow deletion only in exceptional circumstances. As far as I can see, the first applications for deletion receive mandatory, compulsory refusal. That has given us the biggest database in the world. The numbers are astounding—4.2 million people, of whom 1 million are innocent.; that is 7 per cent. of our population. The nearest comparator is Austria, with a figure of 1 per cent., which gives a clear idea of how heavy-handed we are on this issue. The Government had intended the numbers to match those on the national fingerprint database—that is, 7.3 million—and had they carried on, they would have got there by 2012.

The interesting point is that I think that the Government are deceiving themselves, rather than setting out to deceive us. The Prime Minister said that 114 murders had been resolved on the back of the database. When we asked for one example—I have asked several times—the Government have never been able to provide it, as a statistical analysis is involved. It is based on a series of errors. I will not take the House through the whole GeneWatch analysis, but suffice it to say that not every DNA sample found in a location even shows that a person was there; these days, such samples can be transferred by other people as a result of handshakes, sweat being carried across and so on. Secondly, if the person was at the location, they will not necessarily be the criminal. Thirdly, even if they are the criminal, they will not necessarily be convicted on the basis of the data, for other reasons.

There has been a massive overestimate of the importance of such samples. The hon. Member for Eastleigh made a very important point when he said that the Government have casually gone along sweeping up the 1 million innocent people while ignoring the couple of million guilty people from pre-2001. Actually, I should say to the hon. Gentleman that I think that the date was a little earlier than that; some people were in prison at the time and there is an overlap. Nevertheless, the people essentially from pre-2001 have been ignored.

I urge the Government to consider the example of Scotland, which has a better system and a better outcome in terms of criminal convictions. The issue should not be a dividing line across the House; we should be able to arrive at a practical solution that protects the privacy of individuals—most particularly, the 100,000 innocent children who should not be on the database—but gives the police the ammunition and mechanisms that they need to carry things through.

The issue worries me in one other respect. I do not mean this in any pejorative way, but in the past few years the Government have been a little naive about their use of technology. Whether in respect of databases, DNA or surveillance, they have put an awful lot of weight on technology. The problem is that although a large number of people think that DNA technology is absolutely infallible, even a cursory look at low copy number techniques shows that it is anything but that. However, put in front of a jury, the technology has a power much greater than it deserves. I do not want us to build an anti-crime or anti-terrorism strategy on that technology-plus-database approach.

I will finish by saying that many of these issues will not necessarily be for dispute unless the Government want to pick a fight yet again. As they know, we are always happy to give them the fight, but the raw truth is that there is a way through that should be to the advantage of our country, without any of us having to have a serious dispute over it.

2.39 pm

Mr. Charles Walker (Broxbourne) (Con): Thank you, Madam Deputy Speaker, for calling me to speak in the 12th Queen's Speech debate under the current Government. I imagine that there will be one more—unlucky No. 13. I sincerely hope that is unlucky for this Labour Government, not for the Conservative party, in that the 13th Queen's Speech will be the last one that we get from them for some years to come.

I will try to stick to the Home Office brief, Madam Deputy Speaker, but I am sure that you will forgive me if I stray slightly. I do not think that a huge number of Members are waiting to speak, so I should not be putting too many noses out of joint, but if I do, I am sure that you will point it out to me.

Before I move on to the substantive part of my speech, I should like to focus on the operational independence of the police, about which a lot has been said over the past two or three days. Let me point out that the operational independence of the police was compromised about three years ago, during the debate over 90 days' detention, when chief constables from around the country were urged by the Government to write to Members of Parliament asking them to support 90 days. That seemed to break a long-held convention that chief constables did not involve themselves in the day-to-day business of Parliament. From that moment on, the rot set in.

The rot has been particularly noticeable in the Metropolitan police, whose problems have been well documented. The commissioner has just retired early, and of course there are the ongoing problems with last week's raid on the offices of my hon. Friend the Member for Ashford (Damian Green) here, in his constituency and at his home. I hope that the Home Office takes a good long look at the operations of the Metropolitan police, because it seems to be becoming dysfunctional as an organisation, with a group of fiefdoms not talking to one another and pursuing their own different agendas. The public in London are beginning to lose confidence in the Metropolitan police, and we cannot afford for that to happen at the moment, with the Olympics just around the corner, in a little over three years' time, and the daily threat posed by terrorists.

[Mr. Charles Walker]

As regards counter-terrorism and legislation on counter-terrorism, I remain concerned about the erosion of civil liberties. Our democracy, which we have treasured over the past 400 years, has made this country what it is today, as my hon. Friend the Member for Cities of London and Westminster (Mr. Field) pointed out. We remain one of the richest economies in the world, despite the current difficulties in the financial markets. We have wonderful things that have been brought about by democracy. We have, still, a thriving trade union movement. We have an NHS. We have wealth creation. We have vibrant and open debate. Those things, collectively, have made this country what it is.

I am concerned that over the past few years we have taken many of our traditions for granted and cast some of them aside. We have put aside trial by jury in certain cases—complex cases, admittedly, but our legal system should be capable of rising to the challenge of being put to the test through complex cases. We have seen the introduction of double jeopardy, whereby someone can be tried twice for the same crime. Those sorts of powers have been used by dictatorships through the ages and across the world in order finally to find a jury or judge who will give them the result that they want. Double jeopardy has been used to restrict people's liberties and to corrupt the legal system.

There have been restrictions on our free speech. This is a well worn example, but it is still highly relevant. A few years ago, a woman stood at the Cenotaph and read out, very gently and quietly, the names of our war dead—the young men and women who had fallen in Iraq and, I believe, Afghanistan, serving their country. She was arrested and detained. That is not a Great British thing to do. It is not the British way, and we should rightly remain concerned about it.

We talk continually, still, about the merits of ID cards. I am implacably opposed to ID cards, as I believe many of my constituents are. This country belongs to me. I was born here. I have a right to be here. I do not have to prove myself to anyone, nor should I have to. Yes, there are problems with the immigration system, problems that I feel the Government are largely responsible for, but the citizens of this country should not pay for the Government's failings by sacrificing more of their freedoms.

Mr. Mark Field: My hon. Friend referred to the British way, something which many of us feel strongly in our hearts. It has been the tradition in this country that we have an unwritten constitution. Does he now feel that the time is ripe for a codified constitution to be put in place to protect the liberties that all of us have perhaps taken for granted, but feel at this stage—*[Interruption.]* I am not passing a judgment either way on this matter, but given the concerns that my hon. Friend expressed, does he feel that it would be the right way forward?

Mr. Walker: I hope that we have not yet reached that stage, but if we are to avoid reaching it, now is the time for Members of Parliament to be big, to stand up and be counted and to fight for the freedoms that we treasure. It does not matter whether we are in the Labour party, the Conservative party or the Liberal Democrat party. We love this country, we love our democracy and it is up to us to stand up and fight for it and to challenge those forces that would diminish and traduce it.

Today, we have had some welcome news on the DNA database. I cannot believe that the records of perhaps 6 million innocent people are kept on that database. They are people arrested or detained by the police who are not guilty of any crime beyond perhaps being in the wrong place at the wrong time, but their records are retained on the database. We hear this rubbish, this Orwellian nonsense: "If you have nothing to hide, you have nothing to fear." That is something we would expect to hear from the Stasi in eastern Europe. It is a nonsensical statement.

I have a constituent who has committed not a single crime in his life, but on his advanced Criminal Records Bureau check he carries details of a wicked and violent crime committed against a member of his family by a totally unconnected third party. He has nothing to hide, but he has everything to fear. I have taken up his case with the Information Commissioner, the Home Office and the police, and nobody will act to right this wrong. It is an act that would be more at home in Stalinist Russia than in this country.

Mr. Field: My hon. Friend makes his point with great passion. I very much agree with it, and the contribution made earlier on the matter of the DNA database by my right hon. Friend the Member for Haltemprice and Howden (David Davis). Does my hon. Friend accept—and I hope that the Minister will take this point on board—that DNA technology is important, but that in 40 or 50 years' time we will have DNA mark 2 or mark 3 technology that will be considerably superior to what we have now? It will show up many of the deficiencies that my right hon. and hon. Friends have pointed out.

Mr. Walker: My hon. Friend is right; we are in the early stages of this technology. My concerns about the DNA database rest on the fact that the details of people who have not committed any crime are retained on that database. Whether it is a database operating today or in 30 years' time, that is wrong, and it must be stopped.

Finally, as we are talking about Home Office Bills, I return to the role of Parliament in scrutinising Bills. Parliament has undoubtedly been diminished over the past decade. We have less time for debate. We have less time to discuss Bills on Second Reading, and to consider them on Report and in Committee. It is important that we get that time back; so often a brief Second Reading debate is truncated because we have one or two statements beforehand. The Bill then goes into Committee, which may meet for six or eight sittings, where whole areas of the Bill remain undiscussed. Then it comes back to this place on Report, and the Government table a raft of new clauses and amendments that no one has had a chance to consider beforehand. So the Bill goes through almost unscrutinised, and again we are left to rely on those in the other place to make up for our deficiencies.

Of course, Members of Parliament are not blameless. A few committed Members of Parliament are in the Chamber, taking part in and listening to the debate. However, too many of us perceive a one-line Whip as an opportunity to go home—yes, to do worthy things, such as spending time in our constituencies on constituency engagements, but our constituents send us here to make

their concerns known in this place and to give them a voice in the mother of Parliaments and the cockpit of the country. We must take that responsibility seriously. I hope that I am not getting too many dirty looks from colleagues—they are excluded from my criticisms because they are here and should be congratulated on that. If they would like me to name them for the benefit of *Hansard*, I am happy to do that.

Our freedoms are important and we need to protect them. Last week, a Conservative Member of Parliament was arrested and his House of Commons office was searched. Next week, that could happen to a Labour Member of Parliament—we hope to God that it will not. Let us remember that only a few months ago the hon. Member for Tooting (Mr. Khan) had his conversations and private discussions with a constituent who was in prison recorded. The police have form and we need to ensure that proper safeguards are in place so that our constituents, wherever they are, have confidence when they talk to us that those discussions are private.

I will not detain the House any longer. Thank you, Madam Deputy Speaker, for allowing me to make a short contribution.

2.51 pm

Sir Alan Beith (Berwick-upon-Tweed) (LD): I want to consider the Gracious Speech from the standpoint of the Justice Committee and its predecessor, the Constitutional Affairs Committee. Some of its contents relate to our work.

I am not one to complain when a Queen's Speech is short and there is less legislation. The Government may be beginning to recognise that the ills of the world and the country sometimes require action in forms other than legislation. The thirst for legislation, especially on justice and home affairs, has produced legislative indigestion and many Bills that are not fully implemented, not capable of being implemented or should never have been introduced.

I welcome the Bill that was first regarded as the coroners Bill, but has become a combination of that draft measure and other justice provisions. In 2005-06, the Constitutional Affairs Committee severely criticised the Government's original coroners Bill and we need to ascertain the extent to which the clauses of the new Bill tackle our concerns, those of families and those of people experienced in the system, as well as the anxieties that were expressed in the two inquiries that followed the appalling Harold Shipman case. I should say "cases" because he murdered more than 200 people and the system failed to identify him, despite his certifying numerous deaths, which he caused.

Let me outline the key points about the coroner's element of the coroners and justice Bill. First, death certification must be effectively reformed and I am glad that it will be included in the measure. However, we want to be satisfied that the reform is sufficient to achieve its purpose. Secondly, medical examiners, which the Bill will introduce, should not be part of the same NHS trust that runs the hospital where a death has occurred. The medical examiner certification should not be done by an employee of the very NHS trust about which relatives are concerned.

Thirdly, funding for coroners, their staff and training needs to be more consistent. If people had not read our report or did not know the system they would be amazed by the extent of its diversity. In some areas, the local authority pays for coroners' offices; in others, the police pay for them; and in others, coroners are serving police officers—an arrangement that is sometimes pragmatically convenient—and there is no real consistency. There is also little consistency about providing and paying for training so that coroners' officers and other staff can fulfil the needs of the families with whom they deal. Some of them do a superb job—indeed, I have heard much testimony to the quality of the work that some coroner's officers do—but the system is inconsistent and sporadic.

Having a chief coroner is a good thing, but we do not want over-centralisation. The Committee pointed out that there will still be a need for some part-time coroners, if remote areas are not to be completely cut off from the coroner service and if relatives are not going to have to travel long distances even to discuss with the coroner's office how their inquest will be handled. In that context, the other key point in the Bill is how far the rights of the bereaved will be dealt with.

Mr. Bellingham: The right hon. Gentleman accepted that the coroners in this country do a superb job. However, we do not want to centralise the system and thereby get rid of a good example of localism working well.

Sir Alan Beith: I agree with the hon. Gentleman to this extent: we do not want an over-centralised system, but we need some central management of the system. Whereas many coroners do a good job, some have not managed their work very well at all. There are examples in some parts of the country of terrible delays in holding inquests. I am not thinking of the serious delays in inquests relating to service in Iraq or Afghanistan, which have raised separate problems; I am thinking of areas where inquests have built up because the service was not properly managed or resourced. It is therefore necessary, as the Government maintain, to have a chief coroner, who will need the power to ensure a certain level of approved standards. At the same time, however, we do not want areas to be dependent on a distant service that does not recognise, for example, that life in rural communities is different from life in urban communities.

I have referred to that part of the coroners and justice Bill that relates to coroners, but it is not yet clear what else will be in the Bill. There will be data protection provisions, which I hope will include strengthening the Information Commissioner's independence and giving him the powers necessary to fine organisations that breach data protection provisions. The commissioner has been left with only the nuclear button to press. He needs wider powers, as we have argued, and the Government seem to recognise that.

In the longer term, it would be better if the commissioner had the independence that comes from being a creature of Parliament, not of the Government. That is the position for the Scottish Information Commissioner, our Comptroller and Auditor General, the parliamentary ombudsman and the chairman of the Electoral Commission, who all relate to Parliament, not to the Government. We understand that there will also be provisions in the Bill relating to homicide and the Sentencing Guidelines Council. We intend to look into those carefully.

[Sir Alan Beith]

The Queen's Speech prompts the question whether, as a result of the coroners and justice Bill and the Government's other activities, there will be, in the words of the Government's declared objective, an

"effective, transparent and responsive justice system for victims, witnesses and the wider public."

There will not be an effective justice system if money continues to be spent without regard to the effectiveness with which it is spent. The background to that point is the Carter report on prisons, which had no evidential base at all, but which led to far-reaching conclusions, including the plan to create massive, Titan prisons, into which no cost-benefit analysis has been conducted.

Interestingly, having reported that the consultation was over, the Government have now told our Committee that it is not really over, as they intend to do some further work, owing to the fact that so many of the people who were consulted pointed to the lack of a cost-benefit analysis. I am glad that the Government have changed tack, at least to the extent of giving the issue some further thought, and I would be the last person to complain if they changed their mind. I hope that they will now look much more carefully into the cost-effectiveness of the proposal, which has never been examined on any research or evidence base at all.

If we spend lots of money on creating more prisons, but at the same time send out unrehabilitated, unsupervised or unsupported prisoners, there will be more crimes and more victims of crime. If we spend on prisons money that is needed for early-years intervention, youth work or community sentences, there will be more criminals and more victims. We therefore need to look at all the money that we spend in the criminal justice system and at whether it is being spent effectively.

Our report "Towards Effective Sentencing", from the 2007-08 Session, deals with some of those issues and demonstrates the ways in which money was wasted when sentences were introduced without any proper mechanism for carrying them out and without any certainty that they would meet the requirements of the justice system. We are now doing further work on the much wider concept of justice reinvestment: are we spending the money in the right places; if we spent it differently, would there be fewer crimes and fewer victims?

We are very conscious of the need for an informed public and media debate that is not just based around a few cases. The Front Benchers of all parties need to help in bringing about such a debate. Instead of chasing "tough on crime" headlines, we should ensure that the public are able to debate in an informed way what methods will ensure that they are least likely to be the victims of crime. We should not be misleading the public into thinking that we have a solution if all we propose is simply putting more people in prison and keeping them there for longer.

There are many public misconceptions about crime. All the evidence shows that the public believe that crimes are more frequent than they actually are and that sentences are more lenient than they actually are. As long as that is the case, the public will be prey to both newspaper headlines and populist rhetoric suggesting that there is an easy solution to a massive problem of increasing crime in the form of opening more prisons and cramming more people into them—when that is clearly not the case.

We have the highest prison rate among any of the major countries of western Europe—and not just marginally higher, but by far. Yet that has not enabled us to have a different and more successful record on crime and the prevention of crime than those countries have had. We see a strong need for a much more informed public debate and we look to the leaders of all the parties to contribute to it and to resist the temptation to grab a current case and the public fears generated by it and say, "Ah, this proves that we must have more prisons or longer sentences." Although long sentences are necessary and appropriate in a few cases, they are not the answer to general crime problems.

Mr. David Burrowes (Enfield, Southgate) (Con): Is the justice reinvestment inquiry that the Select Committee is undertaking, in which I take a particular interest, relevant not just to an informed debate among politicians but to the lack of local community involvement and ownership of issues such as youth justice and, indeed, financial decision-making, not least in the area of commissioning of prison places?

Sir Alan Beith: The hon. Gentleman is on to a very important point. Our system does not locate in one place, either nationally or locally, decisions about how money is spent. The decisions are taken by different people: some take decisions that result in more prisons, but others are taking decisions on where the money is spent—on youth work, early intervention or community sentences in particular areas, for example. The structure of financial decision making is an absolutely essential issue and the Committee is taking a close interest in it.

Some things are, of course, missing from the Queen's Speech: some I am sorry are not in it; others I am pleased are not in it. I shall take an example of each. The Queen's Speech lacks the announcement of an effective Bill on party funding. What we have instead is a trundling on with the wholly inadequate Bill that we started considering in the previous Session. What we need is a Bill based on the lines of the Hayden Phillips report and the work of the Select Committee in bringing Members of all parties together to reach a common conclusion that we must get the big money out of politics and accept that all parties would have to make some sacrifices to reach that point. We would then need to create a system to incentivise the giving of money to political parties in small amounts by larger numbers of people as part of their ownership of the political system. That is, of course, precisely what Barack Obama succeeded in doing in the United States. Much of the vast amount of money raised for his campaign came in small donations from very large numbers of people. Unless we do that, we will not be able to deliver what we said was necessary: to offer the taxpayer visibly cleaner and healthier politics. That will not even be begun by the Government's proposed legislation. The Government have surrendered to a veto by one party, and the Bill that was reintroduced this week will do nothing to change the dependence of the system on big donors.

Mr. Walker: The right hon. Gentleman makes a good point about party fundraising. Why does politics excite people in the United States of America in a way that it is simply not exciting people in this country?

Sir Alan Beith: It is probably mainly to do with a perception that there was a need for change and a means to bring it about. We must all hope that the election of Barack Obama and his Administration satisfies some of those aspirations, which led people to take part. It may not so fully do so, as that is difficult to achieve. In our system, many people assume that nothing they do will make any difference. They have seen the two main parties grow rather more similar in recent years in the ideas and prescriptions that they put forward. That might change again—who knows?

People have seen a system in which their votes do not seem to count—that point was referred to by my hon. Friend the Member for Eastleigh (Chris Huhne)—because of the electoral system that we have, but the crucial difference is that when people see that their votes make a difference, they are more likely to vote.

I was elected to the House in a by-election 35 years ago last month. The turnout was 84 per cent. and the poll took place well on in the year, when the register was quite old. My majority was 57 votes. People knew that the by-election was close. They could see that their vote was crucial to achieving change. Unless we can get more of our electorate to feel that their vote will change not just perhaps the personnel but the direction of government, we will continue to have low participation.

The next thing that is missing but might have been expected in the Gracious Speech is any reference to legislation on the Bill of Rights and responsibilities. Instead, we have, in that time-honoured phrase, the Government taking a step back from what they originally intended to do:

> "My Government will continue to take forward proposals on constitutional renewal".

So no Bill on rights and responsibilities. I am quite pleased about that, because there is a deal of confusion around that subject in Government circles, and some other circles as well.

There is the idea that we can somehow change our corpus of rights by introducing a separate British Bill of Rights. I am very sceptical of that notion. We are signatories to the European convention on human rights, and even if we repealed the Human Rights Act 1998 and stopped our access to it in our own courts, we would still be signatories to that convention and the process involving the DNA database case—which everybody, certainly on the Opposition Benches, is celebrating today and which has led to a decision that the Government's position is not lawful—would still be available to us. Although it is advantageous that we can access the convention in the British courts, the European convention will determine our rights for many years to come. I see danger in any pretence that we can subtract from those rights. Some Conservatives seem to think that we can do so—although we cannot unless we withdraw from the convention—or that we can usefully start tinkering around, adding a few extra rights and giving them the same force. I am not even comfortable with that, either.

At the same time, the Government confuse the notion of responsibilities with rights. In making what is, on the face of it, a reasonable proposition that people should care about their responsibilities as well as their rights—a proposition that we could all agree to—they go on to imply that all of that could be put into a piece of legislation or a charter so that rights and responsibilities had the same status. That is nonsense, and quite dangerous nonsense too.

There are certain responsibilities to keep the law, which if we do not carry out we lose rights. We may be sent to prison because we have broken the criminal law, but we cannot have a process whereby we start taking people's rights away if they do not exercise as much social responsibility as is desirable or because, on some subjective measure, they are not behaving as responsibly as we would like.

I want people to do socially responsible things—not just in the negative sense of not doing bad things, but in the positive sense of taking an active part in their community, helping community organisations and being involved in all sorts of good things such as charitable work. I am absolutely delighted that so much of that goes on in our country, but I simply cannot get my head around the idea that if people do not behave to the fullest extent of responsibility that they could achieve, we may somehow treat that as a rights issue, saying, "You haven't helped with the scout troop, so you will lose a bit of freedom of speech. You haven't stood for the parish council, so you will lose some of your freedom of association." Those two things are very different. Social responsibility is something that we can encourage and try to develop in society. Rights are something that we make subject to a framework of law and justiciable, and one cannot mix up the two concepts as the Government are doing. I am quite pleased that we will not see that in the Queen's Speech.

Instead we have a vague and, from this Government, unlikely notion of "strengthening Parliament." There is one specific measure that the Government can cite as likely to achieve that: the powers in relation to war and peace—the parliamentary process when this country goes to war. That is right in principle and, in the case of Iraq, actually happened. As one of those who voted against the Iraq war, I must recognise that we did have a vote in this House about it, but the idea that that will strengthen Parliament is a bit fanciful. As we all know from that and other experiences, many Members feel pressured by the fact that our troops are stationed and ready to take action into not voting against what the Government are doing. Others feel that if they vote against their Government in those circumstances they are effectively calling on them to resign at the most difficult period for the country for any Government to resign. The measure is right in principle but it does not really add to the corpus of real parliamentary power.

Among the things that would change Parliament is a reformed electoral system that did not give Governments automatic majorities and made it much less likely that Governments had the kind of majority that enabled them to ignore Parliament, and that stopped the Government's stranglehold on the House. We now have more Ministers than ever before. We have lots of unpaid Ministers. We used to talk about the payroll but we now have Ministers who are prepared to take on the loyalty and limitations of being in government without even being paid a ministerial salary for doing so. There are now quite a lot of them, but the total effect is to add to the number of people on the Government side of the House who are automatically committed to supporting the Government unless they resign their office.

Mr. Walker: The right hon. Gentleman has been in the House for 35 years. Was it not the case that, 35 years ago, being a Parliamentary Private Secretary did not put a Member on the payroll vote, and there were occasions when PPSs from both sides of the House voted against the Government and retained their positions?

Sir Alan Beith: I still think and hope that PPSs will vote against the Government from time to time and might survive in office for doing so, but throughout that 35-year period, the size of Government within the Chamber has increased—an undesirable development. I think it fairly unlikely that the Government will achieve much in the way of strengthening Parliament for the reasons that I have set out.

The Government should also bear in mind the importance of supporting the role of MPs. If the Government are worried about leaks, they have themselves to blame. First, they have failed to bring in a civil service Bill which could strengthen the civil service code, and secondly, they have set the tone with their own leaks. The very Government who complain about leaks are filling the newspapers with things that in my early days in Parliament were practically hanging offences. Revealing the contents of the Queen's Speech before the Queen uttered it was regarded as a very serious matter indeed in my earlier years. As for the contents of a Budget, for those to be revealed was a resigning matter for the Chancellor.

Mr. Straw: I do not think we can be criticised on the Queen's Speech because one of the reforms introduced by the Prime Minister was a draft Queen's Speech, which could be the subject of proper scrutiny.

Sir Alan Beith: I accept that reform and supported it at the time, but we are seeing the playing around with the Gracious Speech itself. Once the Government have made their undisclosed decisions about what they are taking forward and what they are not, following the consultation process that the Prime Minister rightly introduced, the newspapers on Tuesday and Wednesday tell us what the Queen will say, Her Majesty delivers the speech and then, on the middle of Wednesday, the Government set about another kind of leaking: they indicate that what the Queen said was not terribly important, and that what was really important was the repossessions initiative, which was announced to the press before Parliament, and certainly in more detail than it was announced to Parliament by the Prime Minister.

Chris Huhne: My right hon. Friend will remember that when in opposition the Prime Minister was very proud of using leaked documents from the civil service to hold the Government to account. In fact, on "Newsnight" earlier this week there was a rather glorious clip—dating back to July 1985, I think—of a very young Gordon Brown claiming the credit for doing exactly that.

Sir Alan Beith: Yes; what a young figure the Prime Minister cut, but we all remember him in those days.

Clearly, all Governments have to ensure that they can conduct their business, but they now do so within a framework of freedom of information, where they need to be a little less sensitive about information, much of which could be claimed as public under the Freedom of Information Act in any case. When situations arise that are to do with the leaking of confidential information, the basis for dealing with them should be the civil service code, buttressed by a civil service Act.

While making no comment on the current case, it is my view that if a Member were to take action that seemed to be designed to extract information from a civil servant by putting pressure on them, that would be a matter for parliamentary standards. That would be the appropriate way to deal with that, rather than through the criminal code. When Douglas Hurd was Home Secretary, he introduced substantial changes so that the criminal code was more properly confined to official secrets in the area of national security, and disciplinary processes other than the criminal law were thought appropriate for the rest of Government business. That was an important change which was enshrined in a revised Official Secrets Act. Having served on the Intelligence and Security Committee for more than a decade, I am well aware of the importance of safeguarding national security and of rigorous protection of the secrecy on which it depends, but that has also reinforced in my mind the importance of distinguishing between that and the protection of the Government's ability to hold discussions. That is a significant point, and it involves issues such as freedom of information and the sort of processes that have occasionally brought to light matters that needed to be brought to light, embarrassing as they were to the Government.

Let me make one last comment on the current situation, since it is germane to the justice and home affairs section of the Queen's Speech debate and to the issues that occupied us yesterday and earlier today in relation to the rights of Members of Parliament and their constituents. We will do ourselves a considerable disservice if we politicise the discussion of how we protect the privileges of Members and their constituents, and of Members and those who bring important information to them. I have detected several dangers in that regard. I have seen no evidence suggesting that Ministers did anything more than press the button of complaint that there were too many leaks going on in their Department, and once that button was pressed processes began, leading ultimately to arrest and a search in this place, which are causing us a great deal of anxiety. If there is evidence to the contrary, that may be disproved, but my initial perception is that, despite what some have speculated, Ministers have not engaged in any more detailed involvement than to say, "Can nobody rid me of this turbulent priest?" To concentrate on actions that Ministers probably did not take unwisely politicises the issue.

Similarly, however, the Government must look very carefully at how they are handling the matter, including the motion that the House will debate on Monday, because if they move to the kind of defensive position I have heard in some of the comments from the Labour Benches and seek to narrow the ability of this House to assert, within proper limits, the privileges and rights on which our constituents depend, we will do a great disservice to Parliament. The House needs to find a way of acting together to assert and protect the right of constituents and others to bring before Parliament matters which Parliament needs to know.

3.19 pm

Mrs. Ann Cryer (Keighley) (Lab): I have an agreement to look after grandchildren from 6 o'clock, so I did not prepare a speech for this debate because I did not think I would be able to be present for the wind-ups, which I know we should be. However, it appears likely that the debate might not last the full course, so I will be able to do my duty both to this House and to the grandchildren.

I would like to discuss certain aspects of the Gracious Speech. The borders, immigration and citizenship Bill will touch on changes to nationality law to implement the new paths to citizenship. I noticed that this morning, *The Times* mentioned that those who did not achieve citizenship might be sent back. I think that the journalist got it wrong, because he does not seem to understand that once someone has obtained indefinite leave to remain, they cannot just be shoved back to wherever they came from.

I am very committed to the need for immigrants, particularly those who have indefinite leave to remain and those who have not yet reached that stage, to have a grasp of, and ability to use, English. As the hon. Member for Eastleigh (Chris Huhne), who has now left the Chamber, has said, the best way to provide English for speakers of other languages—ESOL—is through colleges of further education. Unfortunately—I can understand why this happened—various Ministers in the relevant Department decided that the cost of teaching English as a second language was going through the ceiling, and as they were afraid that it might take over the Department, and cuts would have to be made in other areas, they put a cap on ESOL spending.

I accepted that at the time, but I am becoming increasingly anxious about it, because now that people have to have English in order to obtain indefinite leave to remain—and, further down the line, citizenship—there is a growing cottage industry providing certificates so that people can obtain those things. I am not knocking private provision, because some of the private providers of ESOL are perfectly good, charge reasonable amounts and give a good service. Such providers are well organised and give a number of lessons to people, mainly women, who have no English.

Unfortunately, an increasing number of rogue operators are just giving a one-day course. The idea that someone can learn how to use English and obtain knowledge of it in one day is absurd. These rogue operators are charging knock-down prices, and that is putting some of the adequate providers out of business, and putting many of our immigrant communities at risk. People are not learning English on these courses; they are just getting a certificate to say that they have English. That means that young women who live in some communities in my constituency do not know their rights, because they do not know English, and they cannot pass on English to their children before they go to school.

This situation has all sorts of negative aspects, so I am as keen as I always have been for communities to have a good grasp of English. Sadly, many women in my constituency who have been in this country for 30-odd years do not have a word of English. We will never reach any form of integration or cohesion in our northern towns and cities until we have a common language. We should therefore examine the provision of ESOL if we are still going to insist on English for citizenship and indefinite leave to remain.

Mr. David Drew (Stroud) (Lab/Co-op): I am sure that my hon. Friend will accept, because she knows this only too well, that one of the saddest aspects of this is the fact that some effective courses put on by the trade union movement were the ones that were peremptorily cut. Surely they should be reintroduced, because they are an effective way of reaching people when they most need it.

Mrs. Cryer: I thank my hon. Friend for that excellent contribution. As he says, the trade unions were helping a great deal in that respect.

May I touch on the coroners and justice Bill, which the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) has just discussed in great detail? I want to discuss an idea that I have had. I visited Canada with the Commonwealth Parliamentary Association about 18 months ago. We met the chief of police for Toronto, who has a great belief in restorative justice, and I believe that, with our prisons bursting, perhaps we ought to consider that idea.

I know that there are existing systems of restorative justice in this country, but I wonder whether we could extend them, because of what we heard from the Toronto police chief. He is very keen on the idea. Restorative justice does not come cheap—it is expensive—but he said that reoffending rates for those who had gone through the restorative justice system were down to 30 or 35 per cent., which is wonderful. That example can be compared with the reoffending rates for those who go to prison, which I think are at about 80 per cent., although I stand to be corrected.

The policing and crime Bill will protect particularly vulnerable members of our society, including women and children. We must start to look at the provision of madrassahs. Anyone can teach in a madrassah without a criminal records check. I have a personal interest, because about a year ago I was invited to join a trust attached to Keighley Cougars rugby league club. The trust provides out-of-school sporting activities, particularly in rugby league, for children, including girls. It makes money and then spends it on the children. I was invited to be a member of that trust, and because it deals with the provision of facilities for children, I had to have a criminal records vetting—and I had to pay for it—even though I never see those children. The Criminal Records Bureau did a check on me and found that I was perfectly all right, but I had to pay for that.

I never come across those children, yet when it comes to the madrassahs in Keighley—some are perfectly satisfactory, some are less so—the people who work in them, who have day-on-day contact with children, because madrassahs usually run six days a week, do not have to undergo a CRB check. We will have to look into that. The madrassahs are growing in number and influence and we must be careful. At the moment, we, as a Government, are discriminating against Muslim children. They do not have the same level of protection as children who go to Brownies, Cubs or Sunday school—in those cases, the people who look after the children must have CRB checks.

Finally, may I just mention the Political Parties and Elections Bill? I am rather concerned because canvassing by local authorities to put people on to electoral registers seems to be really patchy. In some areas, canvassers go knocking door-to-door, people are asked to fill in the

[Mrs. Cryer]

form and they are put on the register. Then there are the other areas, such as Bradford. I have never come across a canvasser for the electoral register in the Bradford area. The most basic aspect of our democracy is to get people on to the register. Perhaps the Government ought to encourage local authorities to spend a bit more money on employing canvassers at this time of year, when we are compiling new registers, to ensure that everyone is registered.

The recently introduced system of making postal votes available to everyone is not doing much service for many women in my constituency. Postal votes are obtained for the household and—certainly in my local Pakistani community—Dad fills in the form without reference to his daughters. I have had complaints from such women that they are being excluded from voting because of that system. They have asked me to make the point that the provision of postal votes has become too widespread, and is discriminating against them. We should consider individual registration, which may address many of those problems.

I am sorry that this has been a speech of bits and bobs, but as I said, I had not intended to speak in this debate.

3.30 pm

Fiona Mactaggart (Slough) (Lab): I agree with my hon. Friend the Member for Keighley (Mrs. Cryer) and her concerns about electoral registration. I have the same problem in my constituency, with postal votes meaning that that ballot is not private in some families, and the people who lose their independence as a result are usually women. In my constituency, we have also seen a corruption of the electoral register, which has been exposed in a legal case and reflects fundamental flaws in the system. The Bill now before Parliament does not take such matters sufficiently seriously.

The main issues that I wish to address have been influenced by what has happened in my constituency in the past 10 days as a series of incidents has shocked the people of Slough. About 100 yds from a poster saying "Slough against knife crime"—the day before I had had my photograph taken in front of it—a woman was murdered and another person seriously wounded with a knife. That was probably related to a domestic incident. A couple of days later, the deputy mayor of Slough was shot, probably with a crossbow. Just a couple of days ago, a woman who was clearing the ice off her car was run over by someone who was trying to steal it.

All those incidents happened within days of each other in my constituency. I can tell my constituents that their chances of being the victim of crime is lower now than at any time in the last 20 years, and that is true—but such incidents make them profoundly fearful about the rarest of crimes. Neighbourhood action groups are an important way for the community to express their concerns about crime to the police, and they are most worried about parking, criminal damage, graffiti and kids hanging about the streets, not the sort of incidents I have described. Those are the issues that get brought up, because they are more common in a community than the more violent ones that I have described, but the latter can create profound fear, and it is important to ask ourselves whether we are doing enough to deal with that.

One of the things that would help—this is not a matter for legislation—is faster progress on the outer London allowance for police officers, so that the Metropolitan police stop stealing our officers. I have become a bore about that issue, but it is a serious matter for my constituency.

Another thing that would help is effective punishment when people are convicted of crimes. I was glad to welcome the Justice Secretary and the Home Secretary to my constituency earlier this week. My right hon. Friends came as part of the relaunch of the scheme that means that people who are sentenced to serve community sentences can be seen to be serving them. I am confident that that will mean that instead of 12 young lads leaning on rakes and not doing very much in the local park—I know why they are there, but most of the general public probably think that their taxes are paying for them to be there—they can be made to do something other than lean on their rakes. Effective community sentencing is absolutely critical, but we need to deal with other kinds of sentence too.

I am depressed about the slow progress being made on the Corston report. Women are, overwhelmingly, not violent offenders, yet they are disproportionately sentenced to jail, which is very ineffective in changing their behaviour and rehabilitating them. Jailing a mother is likely to create a future generation of criminals, so I hope that there will be faster progress on that matter in future.

Another crime that we have experienced in Slough over the past year is people trafficking. One of the few convictions in Britain for child trafficking was in my constituency. I am glad that the police and the prosecution authorities took the matter seriously. When I talked to those involved it was clear to me that people trafficking has become the preferred profiteering mechanism for organised crime, over and above drug trafficking. It is more profitable. It is horrifying that a child is worth £100,000 a year to their trafficker for doing nothing more than begging and selling *The Big Issue*. I am referring to a real case. In a year, the controller of the child made that amount of profit from the child.

We have to bear down more comprehensively and effectively on people trafficking, which is one of the reasons why I was glad to hear of the Home Secretary's commitment to sign the convention very soon. However, we need more effective policing, so I was disappointed to learn that the Metropolitan police, having taken taxpayers' money to open a trafficking policing centre, decided to pocket the money—as far as I could see—and close it again. How were the Metropolitan police able to get away with that? A real issue of accountability is involved. The Queen's Speech talked of improving the accountability of policing, but on a matter on which I believe the whole House is united—

Mr. Straw: It may help my hon. Friend if I deal with that issue, which was also raised by an Opposition speaker. There was a funding issue in connection with the continuation of the human trafficking unit in the Metropolitan police. However, I am happy to report to the House that it has been resolved for the forthcoming financial year, by agreement, to fund the unit jointly between the Home Office and the Metropolitan Police Service. Meanwhile, an urgent review is being carried out so that future funding is assured.

Fiona Mactaggart: I am glad to hear that. None the less, the matter raises the issue of the accountability of the Metropolitan police. I shall say more about police accountability because, with respect to the Justice Secretary, it sounds to me as though we have just been experiencing a bit of brinkmanship. The Metropolitan police decided they wanted to up the ante and get a bit more money from the Home Office, so they did what people do when they want more money from their paymasters, and threatened to shut something they really cared about. It sounds to me as if that is what happened, and I am concerned about some of the police accountability proposals in the Queen's Speech, because I think we shall see more of that kind of stuff.

Under the proposed new methods for police accountability, there will be real concern and argument about operational matters—as we saw in the House today—and the police will be constantly looking over their shoulder. There will also be more of the brinkmanship that I described—and I should be grateful for reassurance that that will not happen.

On the general issue of people trafficking, the other group who are most at risk are women trafficked for sexual purposes. One of the reasons why that becomes more possible is the commodification of sex, which has become quite common in a number of areas, two of which the Queen's Speech proposes to deal with—and both of which I profoundly welcome.

The first area is lap dancing. It is extraordinary that the lap-dancing industry can claim that it does not represent sexual-encounter establishments. In my understanding, there is more sexual encounter in a lap-dancing club than in any of the bookshops and sex toy shops that require such a licence. I am very glad indeed that—this is rather late, but it is very welcome—it is proposed to require such premises to be licensed as sexual-encounter establishments. Although quite legal, those establishments profoundly exploit young women, who usually have to pay for the right to work in them, pay for their uniforms and pay for their drinks. As a result, they can end up out of pocket after an evening's work, and their managers deliberately ensure that there are more dancers than customers, in a way that creates gross exploitation of women.

The same kind of context creates the exploitation of women who are being sold for sexual services through prostitution. I am glad that the proposal in the Queen's Speech is to focus not on those women, who are so often victimised, but much more on their customers, and to create a strict liability offence that is parallel to a number of other offences in Britain. If someone is driving with bald tyres, they are committing a strict liability offence. Even if someone did not know that their tyres were bald, it need only be proved that they were driving the car, and that the tyres were bald, to show that they were responsible. Again, if someone employs someone who does not have the right to work, the employer is committing a strict liability offence. In my view, it should be exactly the same, at the least, for prostitution.

I hope that in this case, we do not fall into the trap that some other European countries, such as Finland, have fallen into, where prosecutions have not taken place. I feel that targeting the purchaser is the best way to protect women. I hold that view not because of any piousness about selling sexual services, but because I believe that prostitution, as it is practised, represents a gross example of violence against women. Between 1996 and 2003, 72 women prostitutes were murdered in Britain. Most of them were selling themselves on the street. More have been murdered since. If we enforce the new proposals, it will be a fitting memorial to Tania Nicol, Gemma Adams, Anneli Alderton, Annette Nicholls and Paula Clennell, all of whom were murdered so recently in Ipswich.

We should follow those other countries that have ensured that the target is the purchaser. That is the trend now. Some Opposition Members would suggest that we need to regularise and legalise the whole trade. But in countries that have done that, such as the Netherlands, the trade has grown, and more women are subjected to violence as a consequence. It is no accident that Nevada, which has the most legal prostitution of any state in the United States of America, also has the highest homicide rate for women. But I urge the Home Office, while targeting the punter, to remove the legal offences that women who are in prostitution are prosecuted for. The Government should get rid of the term, "common prostitute". They should get rid of criminal sanctions for soliciting. Women should not be fined or jailed for soliciting, because many of them are controlled. Arguably, they should get rid of the practice of prosecuting two women who work together for brothel-keeping, because in those circumstances, we could put the responsibility where it truly lies. If the logic of the Home Secretary's position is that the responsibility is the client's, exploited women should not be criminalised. If they were not, they would be much more likely to report the violent punters who are every day, in every town, raping, hitting and damaging women in prostitution. Until we can make those women safe, the steps that have been announced are insufficient.

Paul Holmes (Chesterfield) (LD): Does the hon. Lady agree that there is a danger that if the Government pass the law on strict liability for the customers of sex workers, that will be all that is done? If the law is not enforced, the whole thing will fail. The lessons to be learned from the police and social services operation in Ipswich, from Pentameter 1 and 2 and from the Met's special unit on trafficking, are that if we put the resources and effort into enforcing the existing laws that make trafficking illegal, we can have an effect. If we simply pass more laws—several speakers this afternoon have talked about the legislative diarrhoea of passing more and more laws but not enforcing them—we will not achieve anything.

Fiona Mactaggart: If we put effort behind any law, it will work better. That is obvious. The hon. Gentleman is right to say that we could do that, but I have spoken to people who are involved in the prostitution scene in Ipswich, and although they have managed effectively to end street prostitution in Ipswich using current laws, and with superhuman effort, they would generally welcome the kind of initiative proposed. They would also welcome greater clarity concerning their ability to target demand, because they have been able to protect women in Ipswich more effectively by focusing on demand.

Those people provided exit support and better nurturing to women who were in prostitution, and helped them to leave prostitution. They used some of the pressure

[Fiona Mactaggart]

mechanisms that still exist for women who were trying hard to stay in prostitution, but they could have done with more effective powers. That is exactly why countries such as Lithuania, Finland and South Korea have introduced such legislation. In almost every case, the trigger point was women's deaths. In South Korea, 14 women died in a fire in a brothel because the brothel-keeper had locked the doors so that people could not get out from inside, but could get in from outside. The Swedish law that prohibits the purchase of sexual services was introduced following the murder of a woman prostitute. If we followed our partner countries, we could make women safer.

On the immigration proposals in the Bill, I am anxious that the probationary citizenship proposals and the permanent residence proposals that will substitute for the current, fairly clear, route to indefinite leave to remain are much more contingent on certain issues. As a consequence, people might have insecure status for longer, which might allow them to be exploited. I am concerned about that lack of clarity, as clarity has always been a good part of Britain's immigration law compared with other European countries, where people's status might be a bit insecure for rather a long time.

In Britain, it has been fairly clear where such people are on the ladder, and when they have reached a particular point, they have known that they had indefinite leave to remain and that they could apply for citizenship. The new law is much less clear and depends much more on short-term changes in the immigration rules. That will create the kind of insecurity, for communities, that we have previously avoided by the clarity in our immigration law. That would be unwelcome. I would be glad if my anxiety about that could be proved unfounded, and I would like to know what proposals are in train to ensure that people are clear and confident about their status.

I want to finish by making another complaint—I am sorry about that. I welcome the things that we are doing; it is just the details that make me frustrated. My final complaint is about the proposals for the cohesion fund, or whatever it is to be called. It is a surcharge on immigration fees in order to help local communities to deal with the consequences of migration. The local community in Slough is an obvious example of a place that needs such help. We have had a 10 per cent. increase in the birth rate, and we are expecting 11 new primary classes, but we only have the money for two. We could use the whole of the fund, and still need more. That is part of the problem with the fund: it will raise expectations but fail to fulfil them.

There is worse, however. The people who cannot be charged under the proposals are EU citizens, and many of the recent arrivals have been from the EU. Those who will be eligible for the charge are therefore the wives, husbands and children of long-term residents, many of whom are British citizens, who are already paying hundreds of pounds for their visas. A wife will pay more than £1,000 for her visa and application for permanent residence; a child will pay £515. On top of that, there is now to be a surcharge. That action in itself will damage race relations. It will place an unfair burden on our ethnic minority communities, and the tension that already exists between different minorities in Britain will be exacerbated by the charge. I urge the Home Office to think again. I believe that the proposal is well meant, and that it is designed to help places such as Slough to deal with the real challenges that they face, but I do not believe that people have researched its consequences, which could be profoundly damaging to race relations in the town that I represent.

3.52 pm

Mr. David Drew (Stroud) (Lab/Co-op): I appreciate having the opportunity to speak at this relatively late hour. Not having heard all the introductory Front-Bench speeches, I shall be circumspect, but I want to make a couple of points nevertheless.

My hon. Friend the Member for Slough (Fiona Mactaggart) talked about the trafficking of women for sexual services. I remember having some quite acrimonious correspondence about that with one of my constituents recently. His view was that the proposals were unnecessary, that they represented more ineffective law and that it was wrong to go after the men. I am tempted to send a copy of my hon. Friend's speech to him, so that he can understand the gravity of the situation and the need to do something about this heinous crime, as I described it in my letter to him; that did not go down terribly well, but it was nevertheless my opinion. These activities are too hidden and out of the way, so far as people's general understanding is concerned. Some people think that they do not need to be dealt with, but of course they do.

I want to make a couple of quick observations on the overall perspective of the Queen's Speech, followed by some comments that are pertinent to home affairs and justice. There are some appealing Bills in the Queen's Speech. I very much welcome our attempt to put into a legislative framework our desire to remove child poverty. I am also pleased to see the ongoing rationale for local economic development and community regeneration. I am particularly pleased, as I said to my right hon. and learned Friend the Leader of the House in business questions earlier, to see that the marine Bill and the new coastal access arrangements are to be brought into statute. There were those who said that that was never going to happen, and that every Government put such measures on the back burner where they would never see the light of day. I am pleased to see that they are going to see the light of day, and I congratulate the Government in that regard.

It would be helpful if we could make rapid progress on the floods and water Bill, which was the subject of the second part of my question to my right hon. and learned Friend. The Bill should receive early pre-legislative scrutiny so that it does not have to wait the full parliamentary cycle. Some of us have constituents who cannot afford to wait that long.

On home affairs and justice, one is tempted to say, "Here we go again." The Government have legislated regularly on these topics. I shall examine some aspects of the criminal justice system, rather than the legislation per se. Next week is justice week and a number of us will address various justice trade unions on Wednesday to talk about some of the issues that they raise with us. I make no apology for using that as the backcloth for a discussion about where we have got to and some of the concerns that will be expressed to us next week in the context of the trade union approach to justice.

The Police Federation, the National Association of Probation Officers and the Prison Officers Association are important representative bodies that we must take along with us when we make changes. I have been lobbied by a number of them. I would have been lobbied last Friday by Unison about some of the changes to the probation service, but unfortunately it was unable to make the meeting.

My starting point is that there is at least concern across the terrain about some of the budgetary arrangements affecting probation in particular and other aspects of justice. The probation service's budget has stood still for at least a couple of years. There are those who would say, and I cannot disclaim these figures, that there is effectively a 25 per cent. cut. It is good to hear that we still want to use community payback. I may have my views on whether wearing nice DayGlo-coloured uniforms is the best way to get people to behave, but it is important that we recognise that those people are demonstrably working in the community in a way that brings it home to our constituents that there are different forms of justice, besides sending people to prison.

If there are substantial cuts in the probation service budget, one must ask who will supervise community payback and who will ensure that the work undertaken by offenders is properly constituted, measured and scrutinised and that proper outcomes are achieved. This is not to do with legislation per se, but if we do not have the structure of the justice system right, and we do not provide an appropriate budget, it is impossible to pretend that that system can work properly. I raise the issue of the budget and how much money we are spending, and my right hon. Friend the Secretary of State for Justice may want to say something about how the new legislation will pan out if the money is not available to invest properly in that area.

Most of that budget goes on people, because of course it is people who supervise offenders and who work in prisons to keep offenders in prison. Anyone who knows anything about the probation service knows that it is an ageing service. I am told that over the next three years a substantial number of probation officers will retire, which means that even if we are spending money on recruitment, we must spend considerably more to have an impact on the service. We need to recruit appropriately in order to have skilled people to take on the work of those who have retired.

I am talking about the future. We go on about restorative justice and some of the ideas such as community payback. However, those ideas cannot come to fruition if there are not sufficient people to run the services. I take an interest in this issue, and the probation service in my area has been through some turmoil of late. Our acting chief probation officer has just left, and I wish every success to the new one, who starts in January. As I say, there has been turmoil in the service in respect of knowing who is running it.

Again, that is against the background of the National Offender Management Service, and some Labour Members have yet to be convinced that NOMS is the great salvation of the probation service. There is no secret about the fact that most in the probation service still feel belittled at being lumped in with NOMS. Perhaps that was a whizzo managerial idea, but at the end of the day it is the probation officers working on the ground who really make the difference. If there is unhappiness among those staff about NOMS and its structures, we must at least listen to them.

My concluding point is about legislation, budgets and people, and how they can make the future of the criminal justice system even more difficult. It would be good to hear that we are giving a period of stability to the justice system so that at least some of the wider questions had time to be answered and some of the changes that took place in yesteryear could be properly evaluated to see whether they were working. However, the changes can work only if the budgets are in place. I make a plaintive plea—not surprisingly, it is universally welcomed by unions that work in this area—not only for stability, but for a budget to ensure that the changes introduced in the past have time to work through.

As I said, there are difficulties in getting to the bottom of the figures in respect of what we really know about the budgetary expenditure. It would help if there were a debate—an Adjournment debate, perhaps—to look at how the probation service is working within the wider criminal justice system. I hope that we will get clarity. I am not necessarily against change, which may be for the better, but I am against change that cannot work because it does not have the allied expenditure to ensure that there is forward movement, so that there is better provision and offenders are properly treated and so that our constituents know that the criminal justice system is getting better. We have to invest in the service to ensure that that is the case.

4.3 pm

Andrew Mackinlay (Thurrock) (Lab): I shall not keep the House for too long, but I would like to comment on a number of aspects relating to this afternoon's theme and the Gracious Speech.

I estimate that 55 to 60 per cent. of my casework relates to asylum, refugee and immigration issues. That is quite a heavy burden. My assistant, who has been with me since I was elected to this House nearly 17 years ago, has worked miracles with the Home Office on behalf of many constituents. I pay tribute to him, because it has been a big burden and our successes in breaking through red tape and so on are often rewarding. Like so many other hon. Members' assistants, my assistant Carl Morris does much of the nitty-gritty work, and I acknowledge that now in the House.

It frustrates those of us with a high ratio of such work when we still see the bureaucracy, inertia and inefficiency of the Border and Immigration Agency on a number of issues. For balance, I want to say that things have improved. I welcome the fact that for some time now we have had a uniformed border and immigration service. That has had an enormous impact. I still think that we should beef it up into a proper border police force, but I am grateful for the current position, which is a marked improvement.

However, there is still a long way to go. I urge the Justice Secretary to use his good offices to put pressure on Whitehall for better performance, because there is room for enormous improvement in several respects. Earlier today, my hon. Friend the Member for Slough (Fiona Mactaggart) put in a bid, which I would like to endorse, in relation to one particular group—Zimbabwean refugees. It is plain common sense and in the interests of

[Andrew Mackinlay]

everyone that this group should be allowed to work—I would go on to say that other groups should be given that right—and I would have thought that that could be done with the stroke of a pen. No doubt somebody in Whitehall would find 1,000 reasons why it should not be done, but the Justice Secretary has been in office for long enough to say, "Thank you very much, Sir Humphrey. I hear what you say—now this is what we're going to do."

Mr. Drew: My hon. Friend suggests that other pleas could be made, so may I make a plea for Darfuri asylum seekers? They also face a difficult time in this country, particularly because until recently it has not been unknown for them to be interviewed with members of the Sudanese embassy present, which, with the best will in the world, is not necessarily what they would like to happen.

Andrew Mackinlay: I am grateful to my hon. Friend for that and pleased that I gave way to him, because my theme is that the situation needs to be continually monitored by Ministers and that common sense should prevail. The Zimbabwean case is overwhelming. However, there are other groups of people who have no realistic prospect of being able to return to their countries but face enormous emotional strain in trying to maintain themselves. I do not want to do any injustice to those very vulnerable groups, but the potential for their carrying out petty crime therefore increases, because they have to survive. I urge the Justice Secretary to tell the House that he will revisit this matter and do what he can to ensure that common sense prevails. It would be in the interests of the United Kingdom, as regards our economy and given the pressures on our social services and welfare expenditure, if they were allowed to work.

I hope that the Justice Secretary will speak to the Foreign and Commonwealth Office about some of the arrangements that are in place. In an overwhelming majority of United Kingdom high commissions and embassies, the quality of the method by which people are processed is very high. However, in one or two instances there are locally engaged companies—private firms of security guards and so on—who do not treat people who have gone to consulates appropriately. In some exceptional circumstances, I have deep anxiety about their propriety and conduct. Our high commissioners and ambassadors should be reminded to probe and test that which often happens outside the precincts of their offices, where people are queuing up, to ensure that there are no irregularities and that United Kingdom citizens who are not white are nevertheless treated as United Kingdom citizens. People are sometimes treated in a discriminatory way, not by FCO officials but by those who are employed to marshal the people queuing up to go in. I make these comments in the context of the borders, immigration and citizenship Bill and the draft immigration simplification Bill.

The Justice Secretary knows that when he was Foreign Secretary I repeatedly pleaded for the United Kingdom to have a mission in Kyrgyzstan. That is relevant because the United Kingdom was recently substantially embarrassed by the fact that its officials in Almaty, the old capital of Kazakhstan, failed to process an application for visas by musicians and performers who had been invited to the United Kingdom by the ambassador of Kyrgyzstan. That was disgraceful and is indicative of the fact that we do not have a proper mission in the capital of Kyrgyzstan. We should have, for a whole variety of reasons, and when we become clumsy in that way, the point I have repeatedly made is underscored.

The Justice Secretary might reflect on one thing when these Bills are being drafted and prepared. When my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett) was Home Secretary, he introduced legislation that dignified the award of United Kingdom citizenship, which was an extremely good thing. Provision was made largely for civic dignitaries, such as the mayor of a council, to award citizenship at a ceremony. I am somewhat jealous about that. Hon. Members—perhaps including you, Madam Deputy Speaker—have actually sponsored, counselled and encouraged people to get British citizenship. I would like the honour of administering or presiding over such a ceremony, and perhaps legislation could be amended, if that is necessary, to include hon. Members in the list of people who can do that. It is with immense pride that we have achieved this outcome, and why should some here today, gone tomorrow mayor—although some are very good—have the right to make the award when some of us have seen the process through to that point?

Tom Brake (Carshalton and Wallington) (LD): The hon. Gentleman may need to talk to his local authority about that because I certainly have officiated at a large number of those ceremonies in my constituency. He talks about providing asylum seekers with a right to work, which is an important point. Will he also consider whether they should be allowed to volunteer as well?

Andrew Mackinlay: Of course. I totally endorse what the hon. Gentleman says.

I am pleased to see my hon. Friend the Member for Keighley (Mrs. Cryer) in her place. I listened carefully to what she said about the madrassahs and clearance checks. I want to say how right she is, and I think that most hon. Members would agree. It is an act of appalling discrimination that these centres are somehow exempt—they are not exempt in law, but nobody is homing in on the problem. That takes place against a backdrop of the Church of England, the Roman Catholic Church and many other ministries being very conscious of the issue. The Church of England has a new code dealing with vicarages and rectories. There has to be separate meeting room space, and it refers to the question of propriety and how people are dealt with or accompanied, plus the checks to which my hon. Friend referred. It is intolerable—in the sense that days shall pass from now—that there is no use of the existing law in respect of those madrassahs. The overriding issue is that children are vulnerable, but the situation is also grossly unfair to the boy scouts and the various churches and organisations that have addressed the problem. I hope that the Justice Secretary will take that matter on.

On political parties and elections, the Labour Government have tried, with a lot of good intent, to improve our electoral administration, but in many cases we have made things more complicated. Some of us are very disappointed in the performance of the Electoral Commission, and I notice that in the remaining orders and notices, there is a motion to pay the chairman of

the Electoral Commission £100,000 a year. I am waiting for that motion to come up—I have watched out for it every day—because I intend to divide the House on the matter. Frankly, I think that £100,000 a year is far too much money. Even if it is a full-time job, that is too much, but I suspect that if we looked at the small print, we would find that it is one of these jobs that take two or three days a week. I would like the Government to reflect on the fact that £100,000 is far too much. I do not want to labour the point, but it is too much, and I am saying, so that everyone knows, that I will divide the House on the matter if I get the opportunity, and I hope that I command some support.

The list of draft Bills contains a measure on floods and water. I represent Tilbury, which is part of the Thames Gateway, where the Government are properly hoping for and looking to regeneration, quality places for people to live and work, and the creation of skills, especially in my borough of Thurrock. I fully endorse that, but not at any price.

Anybody who is familiar with the terrain knows that Tilbury was built on the marshes of the Thames. Irish labourers in the 19th century cut the docks and I would describe Tilbury town as Lowry-esque. It has great attraction—we are proud of its traditional docks, which have provided work for more than 120 years. However, between the town and Chadwell St. Mary lies part of the Thames marsh, which fulfils traditional green belt policy. It is a lung and it is attractive against the Lowry-esque landscape. People covet that land and I want to make it clear that Andrew Mackinlay does not support its development. It is vital to the people of Tilbury and Chadwell St. Mary in my borough. Although I support the broad programme of development, I will not support building on that land for a variety of reasons—the green belt, questions of flooding and irrigation, and compelling water engineering issues. I hope that I would get the Secretary of State's support if there were an appeal.

I note that there is also a draft communications data Bill. It appears to be primarily designed to regularise matters or provide for the state to marshal information. *[Interruption.]* I am told that it is dead. That is disappointing. In any event, my point is that the Justice Secretary, who has overall responsibility for data protection and freedom of information, needs to revisit that in the context of Whitehall. I sent data protection applications across Whitehall—to every Ministry—in the summer for good reasons. In my applications, I asked for disclosure of anything held on me in relation to my work as a Member of Parliament. That is important—I would not raise the matter if it were purely personal. I wanted to know what the Ministries held.

Conduct and stewardship of those applications by Ministries was patchy. Some were good and diligent, but others wrote back saying, "I don't know who you are." Although I applied on House of Commons headed paper and included a photostat of my passport, some insisted that they did not know who I was.

There is also a disparity between Departments on charging. There is a power to charge a nominal amount—I do not mind that, but the disparity is not good. There should be consistency across government. In some cases, getting the information was like extracting teeth from a whale.

The worst performer to date is the Cabinet Secretary—I think that his name is Macdonald. He has not replied, despite the 40-day limit. If the Cabinet Secretary cannot get it right, how can we expect proper action down the pyramid and across Whitehall?

I raise the matter not for myself but for all the others who have submitted applications under the Data Protection Act 1998, which the Justice Secretary piloted through the House when he was Home Secretary, and of which he can justifiably be proud. It is inconsistently applied and needs beefing up. All I ask today is that he examine the matter because amending legislation might be required, but I think that people need a rocket put under them, starting with the Cabinet Secretary.

4.19 pm

Nick Herbert (Arundel and South Downs) (Con): Yesterday we saw the Lord Chancellor, in all his finery, skilfully walking backwards, which he did most expertly. That was entirely appropriate, because retreat has been the story of the Prime Minister's programme on constitutional renewal.

Back in July last year, when the new Prime Minister made his first statement to the House, he promised a

"national debate...founded on the conviction that the best answer to disengagement from our democracy is to strengthen our democracy."—[*Official Report*, 3 July 2007; Vol. 462, c. 819.]

Constitutional change was not peripheral to the Government's agenda; it was central to their programme—"founded on...conviction". That conviction cannot have been very profound, because just 18 months later, the constitutional agenda has all but disappeared. It has become clear that the Prime Minister had no great vision of a new settlement, just the immediate political challenge of dissociating himself from his predecessor.

The Prime Minister soon discovered that just repeating the word "renewal" did not renew anything, least of all his reputation. The work of change did not work, so spin doctors were fired and a new purpose was sought. Now the Prime Minister has found a different posture, on the global stage—"Never mind British democratic renewal; it's time to save the world." A supposed programme for long-term constitutional change has now been cast aside in a second, desperate attempt to establish a new narrative.

What we are left with is neither reform nor renewal, just tinkering. Eighteen months on from the grand promise, we do not even have a proper constitutional renewal Bill, just an ongoing draft Bill, with an indication that the real thing will be introduced when time allows, and we all know what that means. The Prime Minister said:

"Constitutional change will not be the work of just one Bill or one year or one Parliament".—[*Official Report*, 3 July 2007; Vol. 462, c. 815.]

Now we know what he meant. At this rate, we will not see a constitutional renewal Bill until the next Parliament. We are left with a few draft measures that are worthy enough in their own right, but completely inadequate to address the real problems of public disengagement and imbalance in our political system.

Last year, the Justice Secretary told us:

"I hope that a consensus can be achieved on the constitutional renewal Bill".—[*Official Report*, 7 November 2007; Vol. 467, c. 148.]

[Nick Herbert]

However, he cannot even find consensus among those on his own Benches. His predecessor, Lord Falconer, said that the Bill was not so much constitutional renewal as constitutional retreat. The Joint Committee on the Draft Constitutional Renewal Bill, which was chaired by the right hon. Gentleman's colleague, the hon. Member for Hastings and Rye (Michael Jabez Foster), said:

"it is difficult to discern the principles underpinning it,"

which is a polite way of saying, "It's a dog's breakfast." More than one commentator has described the Bill as a miscellaneous provisions Bill. Professor Adam Tomkins of the university of Glasgow told the Joint Committee that

"to call this Bill a Constitutional Renewal Bill is an exaggeration...of both the terms 'constitutional' and...'renewal'."

The Bill contains some worthwhile measures, among them the repeal of sections of the Serious Organised Crime and Police Act 2005, which has seen people arrested for reading out the names of the dead at the Cenotaph, but which can apparently do nothing about the permanent encampment that has taken root in Parliament square. Citizens should not have to petition the police for the right to make themselves heard by Parliament. After all, it was the Prime Minister who said last October:

"we can start immediately to make changes in our constitution and laws to safeguard and extend the liberties of our citizens,"

which included

"respecting and extending freedom of assembly".

With the constitutional renewal Bill still only in draft form, will the Government consider including the provision to deal with the issue of protests in Parliament square in the policing and crime Bill instead, which is at least a real Bill and will be introduced in this Session? Perhaps the Metropolitan police do, after all, have enough to do at Westminster.

The Justice Secretary is in full constitutional retreat. Last year, he promised to publish a Bill of rights and responsibilities. He travelled round the world talking about it. He delivered learned speeches to academic audiences. He even flew to Washington to tell the new world that he was going to modernise the Magna Carta. Only new Labour could utter that phrase with no sense of irony or endorse its revolting suggestion that all our ancient rights need is a makeover from a spin doctor.

What has happened to the Bill of Rights? The Justice Secretary's constitutional adviser, Lord Lester, has resigned, saying that the Government's proposals are unworkable. Since none of us has seen the proposals, it is hard to know. Where is the statement of British values? When does the Justice Secretary plan to publish it—on the new British day, perhaps? Last March, the Prime Minister said, "Today"—I emphasise the word "today"—the

"Secretary for Justice is consulting throughout the country on a statement of values and on the case for a full British bill of rights".

After nine months, will the Justice Secretary say how his consultation throughout the country is going? He cannot, of course, because it has not happened.

The Prime Minister said last year that the consultation would begin "in the autumn". In October last year, the Minister of State, Ministry of Justice, the right hon. Member for North Swindon (Mr. Wills), told the House that he would "shortly be announcing" it. In November, he said that work was "still under way". By February this year, he claimed that the Government were "about to launch" it; then he said it was launching "before Easter". After Easter, they were still "finalising the process". In May this year, the Justice Secretary said he would be making an announcement "before the summer recess". The build-up to the statement of values is acquiring a tantric quality. The question must be asked how much value the Government believe this statement of values still has. *[Interruption.]* I am glad the Home Secretary understood the reference.

During the debate on last year's Queen's Speech, the Justice Secretary promised us

"All the changes that...the Prime Minister...set out in his historic, first statement".—[*Official Report*, 7 November 2007; Vol. 467, c. 146.]

So let us have a look at that historic first statement.

Chris Huhne: I am grateful to the hon. Gentleman for giving way, particularly since he was getting into some splendid references to tantric flying and all the rest of it. I wonder about his own position on one particular issue—the British Bill of Rights. Does he agree that a British definition of rights would inevitably call into question our commitment to universal human rights, which we are about to celebrate on 10 December, or, indeed, to the European convention on human rights? Can we not see certain dangers in history where societies have defined rights for their own citizens, but some numbers of those citizens subsequently discover that the rights do not cover them? That is why it is so important to cleave to universal human rights rather than to British rights.

Nick Herbert: No, I disagree. We will all celebrate the 60th anniversary of the universal declaration of human rights next week because it was surely a landmark document. It is common ground throughout the House that there is no intention to resile from the European convention, although there is a difference between the Opposition and the Government, and perhaps the hon. Gentleman, about whether a British Bill of Rights should replace the Human Rights Act 1998 or be added to it. I do not see any of the problems that the hon. Gentleman mentioned.

Andrew Mackinlay: On the question of the Bill of Rights proposed by the Justice Secretary some time ago, I cannot help feeling that what we want is a reaffirmation of the existing Bill of Rights of 1689 and a reminder to Members of Parliament about the importance of article 9. Under article 9, to quote the previous Clerk, Parliament has "comity with the courts". I remember being laughed at when I said that this was the High Court of Parliament, but the Clerk mentioned comity and no Metropolitan police officer would go messing around in the chambers of a court. We are a court, so everyone needs jealously to safeguard article 9—and I would hope to have a little teach-in for all MPs about its importance and enduring value.

Nick Herbert: I am grateful to the hon. Gentleman for reminding us of the important lesson that this Parliament is indeed a court; indeed, it is sometimes said that the House of Commons is the highest court in the land.

Mr. Mark Field: Further to that comment and that of the hon. Member for Eastleigh (Chris Huhne), does my hon. Friend agree that the notion of universal human rights is nonsense? It is simply the accretion of the rights that we have in this country—rights that have been won for us by many generations in the past. That is why we hold those rights so firmly to our hearts. Those are the rights that we are debating now and have been debating over the last 48 hours. It is for that reason that this party has traditionally not wanted to codify a Bill of Rights; and it has certainly always looked askance at the notion of the declaration of universal human rights.

Nick Herbert: My hon. Friend sounds as though he might be a fan of Bentham, who described the idea of natural rights as "nonsense upon stilts". I nevertheless believe that the universal declaration has immensely important symbolic value, conceived as it was in the aftermath of war and genocide as a symbol of the determination of the United Nations to ensure that never again should such atrocities take place. The issue for us is to work out whether the current discourse on human rights is devaluing the concept of those great rights that were talked about at that time.

Chris Huhne: I am grateful to the hon. Gentleman for giving way because he has made precisely the point under discussion. He clearly understands the importance of the universal declaration as Eleanor Roosevelt championed it—that is, precisely in the wake of the holocaust and the genocide, no society should ever again be able to take some of its own citizens and say, "You do not have rights that the rest of us have." That is why it is so dangerous to talk about British rights when we should be talking about human rights.

Nick Herbert: The hon. Gentleman might be aware that both sides are talking about not just British rights, but British rights and responsibilities. As we will continue to remain a party to the European convention and as we will remain subscribed to the universal declaration, I do not see that there will be any problem of the kind he sees with a British Bill of Rights and responsibilities better to clarify rights and responsibilities as they apply directly in our legal system.

I was talking about the Prime Minister's first historic statement on constitutional change and the helpful publication by the Secretary of State for Justice and Lord Chancellor of a scorecard to show how the Government are getting on with that. The Prime Minister identified 12 important areas in which the Executive will surrender or limit their powers. The first was

"the power of the Executive to declare war".

The Justice Secretary says that

"a draft resolution was published in the Constitutional Renewal White Paper",

which is

"currently undergoing pre-legislative scrutiny by a Joint Committee".

So, let us put that one down as not done.

Secondly, the Prime Minister referred to

"the power to request the dissolution of Parliament".

The Justice Secretary says that

"the proposal is subject to ongoing enquiry".

Again, it is pending. But I think that I can make him this offer on behalf of my right hon. Friend the Member for Witney (Mr. Cameron): if the Government want to request a dissolution, I guarantee that the Conservative party will support them.

Thirdly, the Prime Minister referred to

"the power...to ratify international treaties".

That is in the still-in-draft Bill on constitutional renewal. Fourthly, he referred to

"the power to restrict parliamentary oversight of our intelligence services".

The Justice Secretary says that reform is

"in progress...the Government proposes to seek parliamentary endorsement of these proposals".

So that is another not done.

Fifthly, the Prime Minister referred to

"power in the appointment of judges".

That has gone down with the Bill on constitutional renewal as well. Sixthly, he referred to powers over the granting of passports and said that the Government would announce the timetable on that in due course. Seventhly, he referred to powers over

"the granting of pardons."

A consultation paper has been issued. Eighthly, he referred to

"power to direct prosecutors"—

stalled. Ninthly, he referred to

"power over the civil service".—[*Official Report*, 3 July 2007; Vol. 462, c. 815-16.]

That has been arrested. Nine broken promises, and we are in only the third paragraph. Is that what the Prime Minister meant when he talked yesterday about "change you can believe in"?

The Justice Secretary went on:

"New rights for the British public to be consulted through 'citizens' juries'".

Perhaps he can tell us how many citizens juries his Department has held? I can tell him—none.

Of course, I must be fair about the promises that the Government delivered on: a discussion paper on electoral systems, consultations on weekend elections and lowering the voting age, and consultations on when the Union flag might be flown. The Justice Secretary is mistaking the publication of consultation documents for delivery. What we need is action—action to give citizens and communities real power over the issues that matter; action to address the West Lothian question; action to restore the integrity of the vote; and action to stop Ministers walking all over Parliament, because for all his talk about strengthening Parliament, this Prime Minister's actions show little but contempt for Parliament and determination to maintain control: expanding the payroll vote, so that almost half his parliamentary party hold a paid or unpaid post in the gift of the Prime Minister.

There are now 121 Ministers. We had only 74 when we were fighting the second world war. Answers to parliamentary questions are given to friendly journalists before MPs have had a chance to read them. Announcements are trailed in the media before the House is informed and there is routine programming of Bills. With that in mind, when the Government's draft legislative programme was published, we were told that there would be a coroners Bill and a victims and witnesses Bill. Instead, they will now be squeezed into one. I know that the Justice Secretary is serious about parliamentary scrutiny, so could he answer this? Will there be adequate time to scrutinise both parts of this

[Nick Herbert]

Bill, given that proceedings on recent criminal justice Bills have been disgracefully truncated, particularly on Report? We were barely able to debate whole sections of the last criminal justice Bill.

There are aspects of the Bill that we support. We welcome reform of the homicide laws and of the law on infanticide, and I am glad that we have finally had some movement on reform of the coroners system. Last year I said that the Bill was dead on arrival. It now seems to have made a miraculous recovery.

A brief about the coroners and justice Bill has fallen into my hands. It appears to have been produced for the parliamentary Labour party. I dare say that it has been leaked. No doubt an immediate inquiry will be launched. Perhaps the police will want to interview me, although of course the right hon. Gentleman would claim no knowledge of that. I know that Labour resources are low but the right hon. Gentleman might be concerned about the quality of the briefing. It says:

"The Bill introduces a scheme to prevent criminals profiting from exploiting the conservatives of their crimes."

I was not aware that the Conservative party was the victim of criminals, but we are very grateful for the Labour party's fraternal support.

My hon. and learned Friend the Member for Beaconsfield noted that, in October, the Government sensibly withdrew proposals in the Counter-Terrorism Bill that would have allowed Ministers to remove coroners and juries from inquests where the Minister deemed it in the public interest. That provision was far too broadly drawn and I hope that the Justice Secretary will assure us that he will not attempt to bring it back in the Bill.

Our co-operation on emergency legislation, including allowing evidence from anonymous witnesses in court, was predicated on the inclusion of a sunset clause, and an explicit undertaking was given that the issue would be revisited. We therefore welcome the confirmation that the Government will revisit the measures in the Bill and the Justice Secretary has already helpfully written to me to explain their current thinking on the issue. We will of course co-operate fully to ensure that that legislation is properly brought on to the statute book on a permanent basis.

It is entirely right also that we strengthen the powers of the Information Commissioner. The past year has highlighted the cavalier attitude within Government to the handling of personal data and the House will not need reminding that the Government have lost the details of very nearly every parent in the country, of many RAF veterans and of prison officers. Indeed during the passage of the last criminal justice Bill, we advocated—in line with a suggestion by the Information Commissioner—criminal penalties for the loss of personal data. The Government did not feel able to support us then; perhaps they will now.

It is remarkable that a Government who have such a shocking inability to retain people's data should be so eager to amass yet more. So while there will also be situations in which it is right to share data or where the sharing of data can better enable delivery of public services, we will want reassurance that measures to increase the Secretary of State's powers to compel data sharing and to remove any unnecessary obstacles will not grant Ministers the power to create a database state by stealth.

As well as ideas that we welcome, there are some that we are pleased to see the back of. The Gracious Speech confirms that the Government's proposals outlined this time last year for a sentencing commission will not be taken forward. The mechanism that Lord Carter advocated—a grid system for courts that would link resources to sentencing—would have seriously undermined judicial discretion. I am glad to say that the proposal, which almost nobody thought was sensible, has been ditched. Instead we have the downgraded proposal of a sentencing council; another retreat. We will closely scrutinise the remit and powers of the new body to ensure that it brings advantages and in no way undermines the autonomy of judges and magistrates to apply appropriate sentences.

In May, the Government told us that there would be a law reform, victims and witnesses Bill. Now those words have disappeared from the title of the justice Bill. I hope that that will not reflect any downgrading of the importance of promoting the interests of the victims of crime. The Government say that the Bill will deliver a more "effective and transparent" justice service for victims. We hope so, but the Government's record hardly inspires confidence. An effective justice service would include an efficient and well-administered compensation scheme for victims, but last month the Public Accounts Committee reported that two thirds of victims of violent crime are unaware of the Criminal Injuries Compensation Authority and only one in 20 even apply for compensation. That was the second serious indictment of the authority's failures by the Public Accounts Committee in eight years. Nothing has happened, so what will this Bill do about a victim compensation scheme that is not working?

An effective justice service for victims would mean prisoners serving the sentences handed down to them by the courts—not being released automatically at the halfway mark and then being rewarded with an extra 18 days off because Ministers failed to plan for adequate prison capacity. Victims of crime need real support, but unless they are a witness needing anonymity what will this proposed legislation do for them? Will there be measures to improve the court process for victims, which we all know can be traumatic? What about the victims of crimes committed by offenders on bail? After a string of cases earlier this year where victims were murdered by suspects on bail, we announced proposals to tighten the law. The Prime Minister seemed to agree, but the Justice Secretary was silent. Finally, he announced in June a consultation on limited changes to the law, but there has been nothing since then. Will he bring forward proposals to tighten the bail laws, or not? Will that be another retreat? If the Government truly care about victims, why has no one been appointed as a victims commissioner, five and a half years after they announced that there would be one? If they care about victims, why do they continue to release prisoners early when they know that some of them will create new victims when they should have been safely behind bars? At least 800 such offences have been committed, including one murder and two more alleged murders.

When the Ministry of Justice was created 18 months ago we were promised a new approach: joined-up offender management and clear leadership. Instead, we have lurched from the scandal of early release to the fiasco of C-NOMIS, and from the daily crisis of prison overcrowding to the loss of prison officers' names and addresses. In place of a coherent long-term programme of reform,

we have a series of gimmicks and short-term initiatives. What about the prison ship that the Justice Secretary promised—and told *The Sun* a year ago that he was personally in talks with the Dutch Government about? Where is this ghost ship? Perhaps his Government did not need it in the end; they chose to release 40,000 criminals early instead. Then he gave a speech calling for more punishment. That was just after he had passed legislation giving tagged criminals more time off their sentence for days they spent at home in bed.

Then there was another announcement, just this week: coloured bibs for offenders serving community sentences. Quite right, too, but it has taken Ministers years to deliver on that repeated promise; and, like this Government's modest constitutional changes, it is worthy but inadequate. Putting offenders in branded bibs can only be one element of a serious plan to make community sentences more effective. It will not change the fact that a third of community sentences are not even completed and one in 10 offenders commit another crime while serving their sentence. The tragedy is that by failing to rehabilitate offenders this Government are creating a new generation of victims.

It is the Conservative party who are now showing that we have the progressive vision to reform prisons and turn around our criminal justice system, and so make Britain a safer place. We are the ones who are talking about a rehabilitation revolution to reduce reoffending. We are the ones talking about unlocking the voluntary sector to help prisoners get off drugs, into accommodation and back into work. We are the ones with a serious plan to reduce the growth in prison population without letting offenders out early.

By contrast, the Government, who spoke of renewal just 18 months ago, have fallen back on Tony Blair's trademark eye-catching initiatives: short-term policies to mask the absence of long-term strategy. Their first phase of reforms was too often partisan if not in aim, as the need for change was sometimes real, then in practice. However, as the Justice Secretary has said, the constitution does not belong to a single political party. Too often, this Government have pulled blindly at the wires of Britain's constitutional settlement, careless of what they might disconnect. The fact that the right hon. Gentleman continues to hold the office of Lord Chancellor in spite of Tony Blair's overnight attempt to abolish the post is evidence of that. We desperately need a new politics where public trust can be rebuilt and power is returned to the people, to whom it belongs. We need a radical agenda of constitutional change to devolve decision making and power to individuals and communities, to enhance accountability and to strengthen the role of Parliament. Mending Britain's broken politics cannot be done by a Government who promise renewal and then abandon it, and it cannot be done by meagre parliamentary Bills, still less by Bills that remain only in draft form. Real change will not come from this Queen's Speech; it will come in one way alone—by a change of Government.

4.45 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): This has been an interesting and unexpectedly lively debate. I am pleased to say that three Conservative Back Benchers were able to speak, but that rather more spoke from the Government Benches. *[Interruption.]* Well, it is unwise to make charges at the beginning of the debate.

I enjoyed the speech made by the hon. Member for Arundel and South Downs (Nick Herbert); it must have been the first time that the adjective "tantric" has been worked into a debate on the rather solemn and sober matter of crime and justice. I am grateful to him for his approbation for my second outing in the other place: walking backwards twice in front of Her Majesty. *[Interruption.]* I am also grateful for that sedentary comment that I looked marvellous. That is what the Home Secretary also said to me, and I shall tell my mother. *[Interruption.]* The hon. Gentleman's claims at the end of his tantric remarks that all would be much improved were there to be a Conservative Government would be slightly more credible were the experience of previous Conservative Governments to be in that direction—the simple fact is that it is not.

I brought this book out earlier, and it is well worth reading—copies are available in the Library, as well as on my bookshelf. I am talking about the 1994 conservative party campaign guide. It is a wonderful source of information, and it makes a central point on pages 413 and 414. The book dates from the time when luminaries such as the shadow Chancellor, the hon. Member for Tatton (Mr. Osborne), and the Leader of the Opposition, the right hon. Member for Witney (Mr. Cameron), were fully involved in the Conservative party as advisers or researchers; they were almost certainly writing this book.

The Conservatives were pointing out on those pages, with glowing self-praise, the great value that the party had brought to a wider understanding of crime figures by the then Government's establishment of the British crime survey in 1981. They said:

"Unlike the figures for recorded crime, which show the number of crimes reported to the police, the BCS endeavours to build up an accurate picture of the number of crimes actually committed."

They then apologetically said:

"Inevitably, the BCS shows that more crimes are committed than are actually reported to the police".

I ask my hon. Friends, because sometimes this is disputed, to note the second tire, which says:

"While recorded crime doubled between 1981 and 1991, the BCS shows that the actual number of crimes committed rose by...50 per cent."

So, that is all right then.

During the Conservatives' 18 years in office, crime rose by 50 per cent. *[Interruption.]* The hon. Member for Blaby (Mr. Robathan), the deputy Chief Whip, ought to know that on becoming a Whip he takes not tantric vows—we will tread lightly on that one—but Trappist vows, and he ought not to make interventions. I think that he is paid, unlike any of his Front-Bench colleagues; that was a matter of great resentment when I was doing a proper job on the Opposition Front Bench and remaining silent. I am perfectly willing to concede to him that the BCS and, I believe, the recorded crime figures showed that something of a reduction in crime took place between 1995 and 1997, provided he is willing to concede to Labour Members that the same BCS that the Conservatives established has shown that since 1997 there has been not a 2 or 3 per cent. reduction in crime, but a 32 per cent. reduction. That is paralleled by reductions in recorded crime, too.

[Mr. Jack Straw]

The hon. and learned Member for Beaconsfield (Mr. Grieve) mentioned violent crime and, as his right hon. Friend the Leader for the Opposition sometimes does, he said expansively that violent crime had doubled in the past 11 and a half years. In 1998, I was presented with a submission that, I suspect, had been around the Home Office for many years. The officials, quite properly, could not tell me that, but it seemed to me to be of an antique nature. The submission stated that the recorded crime figures as they then were did not properly present what was going on locally in reports to the police of crimes that had been occurring in those areas.

A number of proposals were made to me for changing the way in which recorded crime figures were reported and recorded. The consequence of that statistical change, in some series, would have been an 80 per cent. increase in the level of offences recorded—and that was what happened. Against the advice of some people in the Government—I am unrepentant about this—and because I have always been committed to integrity in official statistics, as the record shows, I said that we ought to make the changes, notwithstanding the fact that much mischief would be made with claims that we were increasing crime, which we were not.

A consequence of the change was that common assaults were included within the figures for violent crime as recorded crime. As the hon. and learned Gentleman knows well, such assaults are not only common in description but are the most common offence of violence. The result of the change and of another change in the national crime recording standards has been an increase in the numbers of crimes of violence that are recorded by 100 per cent. That does not in any way represent an increase in the level of violent crime taking place in our society. Proper debate cannot take place unless Opposition parties, as well as Government, are willing to recognise the reality behind the statistics as well as making the kind of points that they do.

Mr. Grieve: I hope that the Secretary of State will bear in mind what I said about the need for a mature debate. I come back to what Sir David Normington said in his letter to the Home Secretary of November 2008:

"In view of the fact that more serious violence has not reduced in the way that we would have wanted in recent years, and that these offences cause the most harm to individual victims and to society as a whole, our long-term strategy on violence focuses on seriousness. This includes homicides, serious wounding and serious sexual offences such as rape. Recorded crime statistics do indicate that despite recent falls, the levels of the most serious violence are higher than they were ten years ago."

[Interruption.] The Home Secretary is right to say from a sedentary position that that was not a letter to her—it was a briefing document.

Mr. Straw: I was going on to say two things. My right hon. Friend the Home Secretary would be the first to acknowledge that we are not suggesting that there are no changes upwards as well as changes downwards in an overall series. There have been, for example, worrying concerns in some parts of the country about rises in knife crime—there is certainly greater community concern about that matter—and about gun crime. My right hon. Friend does not sit on her hands, but introduces changes and improvements with the police. Those measures are now working to show that those levels of crime are going down.

Before I make my main point on the issue of statistics, I want to draw the attention of the House to something else that I have noticed as I go around the country. My right hon. Friend the Home Secretary was with me this time last week when we were listening to an interesting presentation in north Leeds, in west Yorkshire—in Calverley. I have noticed that Opposition Members are happy to take the credit locally on behalf of the police or local Conservative councils, and I have noticed this in my constituency, too, for the fact that crime has come down across the country—

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Vernon Coaker): They publish it everywhere.

Mr. Straw: As my hon. Friend says, they publish it everywhere.

If that is the case, as it is in both Opposition Front Benchers' constituencies—crime has decreased in Beaconsfield by 6 per cent. between 2002-03 and this year, and by 9 per cent. in Arundel—the aggregate must also show a similar pattern of crime coming down, not going up.

The point was made by the hon. Member for Eastleigh (Chris Huhne) that we should ensure that the British crime survey and the recorded crime statistics are regarded as national statistics under the control of the national statistician and nothing to do with Ministers. They are national statistics and they are under the control— *[Interruption.]* They are fully under the control of the national statistician. I have checked that point, not with the Home Office—not that I distrust the Home Office in any way—but with the oracle, the House of Commons statistician. I wanted to be absolutely sure that those statistics are official statistics under the control of the national statistician.

In answer to a further question raised by the hon. Member for Eastleigh and by the hon. and learned Member for Beaconsfield, the United Kingdom Statistics Authority—I am proud to say that I had a great deal to do with the establishment of that entirely independent body and that it is one of our many major constitutional reforms—is studying barriers to trust in crime statistics as part of its 2008-09 programme. It is considering precisely the issue that concerns all of us. Notwithstanding the fact that the data are robust, there is a sense in the country that crime is going up and not down. That should be of concern to all parties, especially those that aspire to government.

Chris Huhne: The reality is, as everybody knows, that the Office for National Statistics reviews the figures, but it is not directly responsible for them as it is, for example, for the census or other figures. That is the key distinction. If the Government want to put trust back into those figures, the ONS must be given direct responsibility for them.

Mr. Straw: We are dancing on the head of a pin. The census is sui generic; it is conducted by the national statistician, for obvious reasons. When monetary data are collected for the purpose of producing national statistics, the ONS has to go to others to collect the data, and it then has to validate them. That also happens with crime statistics. The British crime survey does not

have to depend on the intermediation of police authorities. There are issues with the recording of some crimes, and my right hon. Friend the Home Secretary has addressed them. Such issues will continue to arise, so the more robust we make the system the better. I addressed those issues as Home Secretary, as did my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett), and little thanks have we had, because the numbers for recorded crimes went up, not down.

I shall briefly run through the issues raised by hon. Members in the debate and then make some more detailed remarks, especially in response to the hon. Member for Arundel and South Downs. The hon. Member for Bromsgrove (Mr. Walker) and the right hon. Member for Haltemprice and Howden (David Davis) both raised the issue of the Marper judgment in the European Court of Human Rights, and I will come back to that.

I apologise for not being in my place for the speech by the hon. Member for Cities of London and Westminster (Mr. Field), although I saw some of it, and he raised several wider issues about the economy and matters of profound concern to his constituents, as well as to the major financial institutions in his constituency. I will personally draw his speech to the attention of my right hon. Friend the Chancellor so that he can make reference to it when he responds in the economic debate.

The right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) made several points about the coroners Bill. I understand that he also suggested national funding for the coronial system, and again I apologise for not being here for the major portion of his speech. I understand the concerns raised by the hon. Member for Arundel and South Downs, because two Bills have been put into one, but they are still effectively two Bills, and the new Bill will do the same job as the two Bills would have done. I shall deal with the issue of parliamentary time as some important points were made.

Our view is that it is better to leave the funding and appointment of coroners as it is, not least because, although some changes are taking place, local authorities are attached to the idea that they play a role in the appointment of their coroners. There is no great demand for changing that aspect of the system and my view is if it ain't broke, don't change it.

The hon. Member for Bournemouth, East (Mr. Elwood) and the hon. and learned Member for Beaconsfield raised the issue of piracy. The law on piracy has not changed. Piracy on the high seas used to be a capital offence, and under the Merchant Shipping and Maritime Security Act 1997, which made the law of nations the United Nations convention on the law of the sea, it is still a serious one, with a maximum penalty of life. The hon. and learned Gentleman suggested that our Royal Navy officers might be impeded in arresting people committing piracy on the high seas because such alleged pirates could apply for asylum. People can apply for anything they want, but they would not be given asylum. Article 1F of the 1951 refugee convention states that it does not apply to a person

"with respect to whom there are serious reasons for considering that... he has committed a serious non-political crime outside the country of refuge prior to his admission to that country as a refugee".

There is no question about the matter. Pirates could not conceivably have an application for asylum entertained. However, I shall ensure that my right hon. Friend the Secretary of State for Defence writes, either directly or through me, to both Members in more detail about the matter.

Mr. Elwood: The Secretary of State does not need to write to me; he needs to write to the Navy and members of our armed forces, who need clarification. Despite all the Jack Sparrow films, piracy is not glamorous; it is an act of war. In an act of war, the armed forces are allowed to shoot at pirates, but if it is not an act of war but a criminal act, they are not allowed to shoot at them. The Navy is struggling with that confusion, which is why we need clarification from the Secretary of State.

Mr. Straw: That point runs into the whole issue of rules of engagement, but I will follow it up.

Andrew Mackinlay: My hon. Friend the Member for Keighley (Mrs. Cryer) and the hon. Member for Winchester (Mr. Oaten), who are both in the Chamber, and I held discussions with the Kenyan Government last week. On behalf of my colleagues may I tell the House how the Kenyan Government collaborated with the United Kingdom in bringing to trial in Mombasa pirates captured in the Indian ocean? That important collaboration should be acknowledged by the House and the Government. There is great strain on the Kenyan Government, who are the one beacon of justice and democracy available to the Royal Navy and the Indian navy in bringing pirates to justice, and the House should acknowledge that.

Mr. Straw: Of course I acknowledge that and I am grateful to my hon. Friend.

My hon. Friend the Member for Keighley (Mrs. Cryer) raised a number of important issues. One was her concern about what she described as a cottage industry in certification that those seeking British citizenship had sufficient facility in the English language. I have discussed the matter with my right hon. Friend the Home Secretary and we will of course follow it up.

My hon. Friend made an interesting point about madrassahs. I am sure she accepts that the vast majority of people of Asian heritage—certainly in my constituency—are concerned about having proper facility in the English language. They do not want bogus certificates, because they recognise that the English language is an important precondition for proper integration. Just because people can speak English does not mean that their community will be fully integrated, but I am in no doubt at all that there must be that facility and that they want that facility and the proper availability of classes in English as a second language. I have a number of madrassahs in my constituency, and the vast majority of them are properly moderated, properly checked and work satisfactorily, but I will follow up with my right hon. Friend the Home Secretary the issue that my hon. Friend raises about whether there is, in general, a proper requirement for the same kind of Criminal Records Bureau check that she referred to in respect of herself.

My hon. Friends the Members for Keighley and for Slough (Fiona Mactaggart) both referred to concerns about electoral registration and the need for it to be improved, and the Minister of State, Ministry of Justice, my right hon. Friend the Member for North Swindon (Mr. Wills) is actively considering that matter in the context of the Political Parties and Elections Bill.

[Mr. Straw]

My hon. Friend the Member for Slough also raised concerns about visa fees. I am afraid to say that I do not quite share her view, but, again, I will draw that to the attention of my right hon. Friend the Home Secretary.

My hon. Friend the Member for Stroud (Mr. Drew) raised the issue of justice week and the concerns of trade unions about what they say are cuts in criminal justice budgets. There is some irony, because it was only in the summer that the Policy Exchange, in a report endorsed by the hon. and learned Member for Beaconsfield issued an attack on the Government for spending too much on criminal justice and the law and order system, saying that we now spend more as a proportion of our GDP on that than any other OECD country does. We spend a great deal; we spend more on legal aid and policing—I am very glad that we do—and as a part of that, there has been a 67 per cent. real-terms increase for probation. Where those people got the idea that there would be a 25 per cent. cut in probation funding I just do not know, because it is completely and utterly untrue. However, because of the impact that the world economic downturn has on Government revenues, spending on all public services will not rise in the near future as it has done in the past. So we must search more vigorously for efficiencies in the probation service, the Prison Service and the Court Service. I happen to know from my rather lengthy service as a Minister that it is surprising how efficiencies can be found if someone starts to search them out.

My hon. Friend the Member for Thurrock raised the issue of Zimbabwean refugees, and whether they should be allowed to work—I will pass that on to my right hon. Friend the Home Secretary—as well as commenting on the chair of the Electoral Commission. The appointment of the chair of the commission is made by Mr. Speaker, on the advice of the Speaker's Committee on the Electoral Commission. I happen to be a member of that Committee, but in a minority. It is an appointment entirely within the purview of the House, unlike, for example, that of the Information Commissioner, which required the endorsement of the House—at my behest, as it were, in this case.

Let me deal with the Marper judgment in respect of DNA. As my right hon. and hon. Friends will have seen from the wires, the European Court of Human Rights said about the holding of DNA, fingerprint and other samples by the criminal justice system in England and Wales that it was

"struck by the blanket and indiscriminate nature of the power of retention in England and Wales."

It therefore declared that retention outwith article 8 of the European convention on human rights.

I make first a preliminary point, which is germane to the issue of Bills of Rights and responsibilities—a subject to which I shall return later. *[Interruption.]* The Conservatives have asked a lot of questions, and I am trying to answer them. This matter was considered under the Human Rights Act 1998 by the High Court, the Court of Appeal and the Law Lords. On each occasion, the British courts found in our favour, so the Human Rights Act was not to blame—in fact, it provided important evidence about the margin of appreciation. The decision was made by the European Court of Human Rights.

The hon. and learned Member for Beaconsfield knows that if convention rights are incorporated into domestic law, as they are across Europe, the highest domestic court will sometimes be overturned by the Strasbourg Court, but that does not undermine the case for incorporation. My point is that we do better, where there is no margin of appreciation, if there is no incorporation. The one point on which there is agreement across both parties is that we remain committed to the convention itself. Of course, the hon. and learned Gentleman is in favour of the Human Rights Act.

The judgment, which I have read in full today, is interesting. I recommend in particular paragraph 119, which draws out what the Court means by the

"indiscriminate nature of the power of retention in England and Wales".

It goes on to suggest that distinctions should be made between the nature of offences for which samples have been taken, and discusses whether they should be time-limited and whether there should be an independent review. Those matters will be considered by my right hon. Friend the Home Secretary in consultation across Government. We have an obligation to report initially to the Council of Ministers and the Council of Europe by March.

It was I who introduced, in section 82 of the Criminal Justice and Police Act 2001, the change that DNA samples could be retained even when there was a subsequent acquittal. I did that for a straightforward reason, because of a case involving a man who was charged with burglary. Before his trial for that burglary, a rape was committed, and the police matched a DNA sample that had been taken from him when he was arrested for burglary with a sample found on the person who alleged the rape. He was convicted of the rape, but was subsequently acquitted of the burglary. He appealed all the way up to the Law Lords, who said, on a construction of the law as it then stood, that the DNA sample had been retained unlawfully, and that the rape conviction, which was otherwise entirely proper, therefore had to be struck down.

I thought that unjust to the victim—indeed, I am clear that it was—and so I introduced that measure. My recollection is that the measure had all-party support at the time, but I will check the record. The judgment might mean justice for those whose data is being held, but there is a much more important issue to consider: justice for the victims of the most serious and egregious offences, and ensuring that the offenders who commit such crimes are convicted.

Nick Herbert: One argument that the right hon. Gentleman has advanced regarding the incorporation of convention rights into our domestic law is that the European Court would take increasing account of the jurisprudence of the British courts. How much account did the European Court take of our courts' decisions in this latest case on DNA?

Mr. Straw: If the hon. Gentleman reads the judgment, he will find that the Court did take those judgments into account. There is page after page on that. It happened not to agree with them, but that is a different point. He does not make a strong point, if I may say so, because it has never been suggested that the margin of appreciation means that if a country incorporates the convention into its domestic law, the European Court will never

overturn a decision of its highest court. That must be nonsense. If he were to talk to members of the Court in Strasbourg, he would know that proper account is taken of the high level of consideration that our courts give to the articles.

Mr. Mark Field: I want to return to the Secretary of State's previous point about faulty DNA evidence. I think that he stated that justice for the perpetrator of what turned out to be a crime was less important than justice for innocent people, but surely a fundamental tenet of the British legal system is that a defendant should have a fair trial. Should not justice for the defendant therefore be paramount in the Secretary of State's mind, and is not that in stark contrast to what happens in many European legal systems?

Mr. Straw: Of course I accept that, and I would be happy to talk to the hon. Gentleman in more detail outside the House about what happened in the case that I was effectively overturning.

At the heart of the Marper issue are the circumstances in which the police should be entitled to retain DNA and fingerprint samples where there is no subsequent conviction. There is no right to test British citizens at random; no one is suggesting that that is the case. The question is whether there is a right not only to take DNA and fingerprints on arrest or charge, but to retain such samples, and if so, for how long. The point that I am making is that, unless there is significant provision in this regard, a number of people who are guilty and who pose a real and serious threat to society—including rapists—will go free. The man who was quite properly convicted of that rape, and subsequently got out on a technicality, had had a fair trial. The evidence was overwhelming: he had committed the crime. He got out on a technicality, and I do not happen to think that that is fair.

Mr. Grieve: I appreciate the Secretary of State's point. Obviously, I have not had a chance to study the judgment in great detail, but it seems to me that it would be perfectly possible to cater for the particular problem that he identified in 2002 while still observing the terms of the judgment, which will generally allow people who have been acquitted or never charged to have their DNA removed.

Mr. Straw: Let us hope that that is the case. If hon. Members study carefully one of the most important paragraphs in the judgment—paragraph 119—they will see, as we shall see in the headlines tomorrow, that although the Court was

"struck by the blanket and indiscriminate nature of the power of retention",

that general statement was then highly qualified. I am sure that the lawyers in the Home Office will be looking with great care at the nature of those qualifications—and quite right, too.

I want to deal briefly with the points raised by the hon. Member for Arundel and South Downs, and then with other key points. The hon. Gentleman made much sport about the Government's programme of constitutional renewal. This has been the most radical constitutionally reforming Government since the war; there is no question about that. This compares with the paucity of constitutional change—in fact, the absence of it—during previous Conservative Administrations. The Conservatives might complain about the Human Rights Act 1998, the Data Protection Act 1998, the Freedom of Information Act 2000, devolution, the establishment of the Mayor of London, and what we have done in respect of the House of Lords, but these are major constitutional changes that Vernon Bogdanor—a very independent-minded constitutional expert—has said will be seen as a quiet revolution in our constitutional arrangements.

Moreover, although I accept that we have to do more, not least in terms of the time spent on the Floor of the House on Report, Parliament has been strengthened massively in the past 20 or 30 years, compared with the kind of Parliament that existed in the 1950s and 1960s. I shall refer—although I shall not read it out at length—to what Michael Ryle, a former Clerk of Committees of the House, said in 2005:

"a simple factual comparison with the 1950s and early 1960s shows that Parliament—particularly the House of Commons—plays a more active, independent and influential role in Britain today than at any time for many years...the major advances in the past fifty years should not be derided."

Parliament in the apparently golden age of the 1950s was supine; there were no rebellions of any kind at all. It was a supine, part-time Parliament, and that has now changed for the better.

The constitutional reform Bill is specified in the Gracious Speech. Everyone knows that what has changed since then is the overriding imperative of dealing with the world economic downturn, but the Bill will require parliamentary time. The Queen's Speech states:

"My Government will continue to take forward proposals on constitutional renewal, including strengthening the role of Parliament and other measures."

As ever, Her Majesty meant what she said—and that is my intention, too.

On the proposals in respect of a Bill of Rights and responsibilities, documents will be published. I accept that they have taken more time than I had hoped, but the hon. Gentleman can hardly complain that I have been silent on the issue; nor has the Minister of State, Ministry of Justice, my right hon. Friend the Member for North Swindon. Indeed, I know that the hon. Gentleman has paid me the compliment of reading very important—if I may say so—speeches that I made in October last year and in February and September this year, and I have paid him the compliment of reading his speeches too, which are interesting, if to some extent misconceived.

Nick Herbert: On the Lord Chancellor's previous point, may I press him on the constitutional reform Bill? It was a draft Bill in the last Session. Today the Leader of the House published the Government's legislative programme. It includes 14 Bill, but the constitutional renewal Bill does not feature among them. There are seven draft Bills, but the constitutional renewal Bill does not feature among them either. Can the right hon. Gentleman be clearer about the prospects for legislating in this Session on constitutional renewal?

Mr. Straw: We have already had a draft Bill, so there is no point in publishing another draft Bill. That would be absurd, if I may say so, and a waste of parliamentary time. The reason why the subject was referred to in the

[Mr. Straw]

Queen's Speech in those terms is that a slot for the Bill could not be guaranteed. That is why that formulation is used. My earnest intention, which requires negotiation with the usual channels as well as with my colleagues, is that the Bill should be brought forward. I cannot guarantee that, not least because of the negotiation with the usual channels. We shall have to see what progress is made on other Bills, but that remains my earnest intention.

Time is short. I can see that, much though hon. Members wish to spend most of their time on a Thursday evening listening to me, some have pressing commitments elsewhere, surprisingly. On the coroners and justice Bill, the hon. Member for Arundel and South Downs helpfully summarised it and welcomed a good deal of it. Each part of that has been the subject of an extensive consultation exercise.

Chris Huhne: Can the Justice Secretary give the House an assurance that he will not reintroduce in the coroners Bill the clauses on secret inquests and the Secretary of State's powers from the counter-terrorism Bill?

Mr. Straw: I am afraid I cannot satisfy the hon. Gentleman on that. The proposals were never for secret inquests; they were for inquests without a jury. Only 2 per cent. of inquests in any event take place with a jury. My right hon. Friend the Home Secretary and I are considering the points that have been raised. Proposals will be brought forward in due course—in the Bill as presented to Parliament, I hope.

The Political Parties and Elections Bill is, as my hon. Friend the Member for Thurrock (Andrew Mackinlay) drew to the attention of the House, a carried over Bill. It has already had its First and Second Reading, and its Public Bill Committee stage upstairs, and awaits its Report stage downstairs. There is a considerable amount of work to do before Report, not least in respect of the Electoral Commission, as we wish to take account of what was said on all sides on the issue of strengthening registration procedures, and also on issues relating to party funding. I repeat the commitments that I have given to the House, as has the Minister of State, Ministry of Justice, my right hon. Friend the Member for North Swindon, that we believe, and I have always believed, that such a matter should be proceeded with only with a consensus between the parties, if at all possible.

I began these remarks by referring to the record of the Government on crime. We are the first Government since the war to have seen a reduction in crime, both in recorded crime and in the British crime survey. Our determination, however, is to make the communities that all of us serve even safer. It is for those reasons that my right hon. Friend the Home Secretary and I have brought forward these measures. I commend the Queen's Speech, and the debate, to the House.

Ordered, That the debate be now adjourned.—*(Helen Goodman.)*

Debate to be resumed on Monday 8 December.

Naomi House Children's Hospice

Motion made, and Question proposed, That this House do now adjourn.—*(Helen Goodman.)*

5.25 pm

Mrs. Maria Miller (Basingstoke) (Con): I thank you, Mr. Deputy Speaker, for giving me the opportunity to hold this debate, and I am grateful to the Exchequer Secretary for coming along to respond to it.

Naomi House was badly hit in the recent Icelandic banking crisis. The charity had a deposit of £5.7 million with Kaupthing Singer & Friedlander, which had its assets frozen two months ago. Naomi House is a children's hospice that supports hundreds of families with children who have illnesses that will shorten their lives—terminal illnesses. Those families come from throughout Hampshire, the Isle of Wight, Dorset, West Sussex, Berkshire, Wiltshire and Surrey. To deliver its service, the hospice relies on trained doctors and nurses as well as on the efforts of more than 400 volunteers. Some 1,400 corporate organisations, many in my constituency, support the hospice, including the Automobile Association and Winterthur Life.

Singer & Friedlander, an old, established British bank taken over by the Icelandic bank Kaupthing in 2006, was regulated by the Financial Services Authority. When the Government acted to freeze its assets, it was clear from the start that they did not intend charities, large or small, to suffer as a result. Indeed, in one Prime Minister's questions, the Leader of the House, who was standing in for the Prime Minister at the time, stated that there would be 100 per cent. protection for small charities and that the Government were

"taking steps to protect larger charities by freezing the assets of the Icelandic banks and by lending £100 million while the unfreezing of those assets is sorted out."—[*Official Report*, 15 October 2008; Vol. 480, c. 790.]

That was an encouraging response, in which the Government articulated specific support. Indeed, on another occasion the Leader of the House, when questioned specifically on the plight of Naomi House, stated in the national media that direct support for charities would be in place, that the Government would do everything that they could to help charities and that they would not leave charities on their own. More recently, the Parliamentary Secretary, Cabinet Office, the hon. Member for Cardiff, West (Kevin Brennan), made it clear that the commitment to helping charities through this crisis was still very much alive and well.

The problem is that we are now two months on from when the assets were seized, and Naomi House has yet to see any of the promises bear fruit. It has seen confirmation that it is classified as a large charity under FSA rules, which means that it will be placed in a queue with other wholesale investors such as local authorities. In no way have the specific difficulties faced by charities been recognised, particularly in respect of securing borrowing to try to get them through this difficult time.

At the creditors' meeting on Monday it was clear that recovering the money that has been lost will be an immensely long and drawn-out process, with no certainty about the outcome. Naomi House has also learned that the Office of the Third Sector will produce an action plan, but that is promised only for some time in the new year. Recent comments from the Minister with

responsibility for the third sector at the National Council for Voluntary Organisations recession summit made it clear that the action plan will look more broadly at the economic downturn faced by charities, rather than at the banking crisis in particular. Frankly, despite specific approaches to the Prime Minister, the Department of Health and the Charity Commission, there has been radio silence from the Government about how they will keep their undertakings real and alive for Naomi House.

The problem faced by Naomi House is that one third of its assets—£5.7 million—are frozen. For any organisation, that is a significant and overwhelming financial crisis. As a direct result of that, on 25 November Naomi House was forced to suspend its at-home service for terminally ill children in my constituency. The hospice-at-home outreach programme provided unique and much-needed support for families, and it was due to be rolled out into other areas of Hampshire, yet now the future of that service is bleak, and it has been suspended indefinitely. Two months may not be a long time for a Minister or Department, but it is a very long time for a charity that is almost completely reliant on its own financial resources. The trustees have been forced to take this action to safeguard other services. Without some clarity today, there may have to be further announcements.

This matter cuts across other Departments. I know that the Parliamentary Secretary, Cabinet Office, is well aware of the issues that face Naomi House, but his recent comments serve to illustrate the fact that a one-size-fits-all financial solution will not necessarily work in this case. I hope that the Exchequer Secretary can respond to that point. The hon. Gentleman suggested that the Department of Health, local authorities and primary care trusts could offer some way forward in terms of additional short-term funding, but the local situation in Hampshire for Naomi House means that it has no local authority contracts or PCT funding and receives only £300,000 from the Government through the Department of Health. In the context of a yearly turnover of £2.5 million, that is a tiny amount of money, but there is no indication from the Department that it is going to increase it in the near future, unless the Exchequer Secretary can advise me otherwise.

The time has come for the Government to act decisively by clearly stating the support that Naomi House will receive. It is doing what it can to help itself. It helped to establish the Save our Savings group—a group of charities that are affected in the same way by the Icelandic financial crisis—and has secured a seat on the Kaupthing Singer & Friedlander administrator's creditors committee. However, the time has come for the Government to do their bit, too, and to show that they will follow through with some tangible support, as they promised when this crisis started.

Going back to the promise made from the Front Bench by the Leader of the House on 15 October, what steps are being taken to protect larger charities, particularly given the protracted nature of the administrative process? The NCVO has been working hard to support the sector and pressing for a loan facility. What is the situation with regard to loans? Providing such support until charities are able to recover their own money may be just the sort of help that can stop any further cuts to important services such as those that Naomi House provides. The Leader of the House said that that money would be available, but we are still to hear any details.

There are some specific differences in the Naomi House case that suggest that the Government's general approach may not provide the support that is intended. Will the Exchequer Secretary therefore undertake to look into the problems that it faces as a special case?

The Government may want to consider, perhaps not now but in the medium term, whether the FSA rules on eligibility for compensation, which use the Companies Act 1985 to define what constitutes a small charity, are as robust as they need to be. Leaving Naomi House out in the cold cannot be anything other than an unintended consequence of how the current regulations are drafted.

Will the Exchequer Secretary undertake to join her colleague, the Parliamentary Secretary, Cabinet Office, who has offered to meet representatives from Naomi House to secure a cross-departmental solution to the problem?

In conclusion, Naomi House works throughout seven counties, and in constituencies that are represented by Members of Parliament on both sides of the House. It provides a service that the NHS does not. It supports families of terminally ill children in a way that no other service does. A petition on the 10 Downing street website, calling for Government assistance, was set up by local campaigner Steve Brine and now has more than 4,000 signatures, which shows the strength of feeling in Hampshire and beyond about the plight of Naomi House.

Mr. Oliver Letwin (West Dorset) (Con): I hope that my hon. Friend is aware that many of my constituents in West Dorset feel exactly the same way, and have benefited from the services provided. They are very anxious for those services to go on being provided.

Mrs. Miller: I thank my right hon. Friend for his intervention, and for showing his support for the work that we are doing. His intervention serves to reiterate that the services supplied by Naomi House are not just confined to the boundaries of one county, but spread far and wide. That is a testament to the work that it does, and to its professionalism.

Naomi House is a lifeline for many families—families who are in a position that many of us hope never to find ourselves in. I hope that the Exchequer Secretary will use the opportunity of the debate to show her clear support for the work of Naomi House, and to outline exactly what the Government propose to do, in tangible, specific terms, to ensure that this charity can thrive in the future.

5.36 pm

Mr. Mark Oaten (Winchester) (LD): Given that we have slightly longer for the Adjournment debate, I would like to make a few remarks to support the speech made by the hon. Member for Basingstoke (Mrs. Miller), but I do not want to detain the House long.

Naomi House is in my constituency, and during the 12 years that I have been a Member of Parliament, it has been a jewel in the crown of the Winchester area. It does not serve just the Winchester constituency, but as the hon. Lady mentioned, a large area with a large number of children who have benefited from the facilities that it provides. The point that I wish to emphasise to the Exchequer Secretary is the different nature of this organisation. It is not like some of the other charities

[Mr. Mark Oaten]

that have lost money in Icelandic banks, such as local authorities or many of the businesses affected. It is unique in that it provides a service that many people would argue is one that the Government should provide. Many of us were surprised to find, when we came to Parliament, that hospices were not funded by the NHS. If they did not exist, somebody—the Government, we assume—would have to provide such care for children in such awful circumstances.

Mr. Letwin: Does the hon. Gentleman agree that that is particularly the case with children's hospices? Adult hospices in our constituencies receive significantly more support from the NHS than children's hospices.

Mr. Oaten: The right hon. Gentleman is right. It has always been very peculiar that children's hospices have been treated in that way, but that is what has happened, and charities such as Naomi House have had to take on a responsibility that should be taken on by the Government. It is a responsibility that does not relate just to the work that takes place in the buildings of Naomi House, but to the outreach work that it carries out in people's homes. It has worked alongside the NHS on that, hand in hand with hard-working professionals at the Basingstoke and Winchester hospitals. We are now seeing the acute impact that the loss of funding is having. Those professionals working in the NHS now have to find more time in order to fill the gap that has been left by the disappearance of the service provided by Naomi House for outreach work.

Chris Huhne (Eastleigh) (LD): I would like to support my hon. Friend's comments to the Exchequer Secretary because in my constituency, in south Hampshire, Naomi House is one of the most popular charities. It is repeatedly subject to mayoral and other appeals precisely because of its outreach work, which is the work most threatened by the freezing of the £5.7 million.

It is also worth pointing out that the children's hospital movement throughout the country is important because it provides parents with respite care in what is an extremely gruelling time. I entirely support my hon. Friend's comments about the outreach work combined with the respite care. It is difficult to know how we could survive without it. The public sector would need to provide it if it were not provided in the way in which we have discussed.

Mr. Oaten: My hon. Friend makes a good point. If the service disappears, Government money will have to be found to meet the demand because, sadly, children with diseases and illnesses will not disappear.

I hope that the Exchequer Secretary sets out Government thinking for dealing with such a unique situation. It will be disappointing if she responds in general terms and talks about the Government's plans for businesses or charities. As the hon. Member for Basingstoke said, the FSA schemes for charities will not help Naomi House.

The matter requires not only a Treasury response but a response from the Secretary of State for Health. I am disappointed that the Secretary of State has been silent about the issue because there is a moral, if not necessarily a legal, departmental responsibility to engage with it. I hope that the Exchequer Secretary takes away my hope, which I suspect others share, that the Secretary of State for Health will be prepared to meet the trustees and chairman of Naomi House to discuss the impact of the loss of money and how that will affect the NHS in the Hampshire region and beyond. I would also like to consider whether, in the next couple of months, we can find a way of putting money into Naomi House so that we can restore the outreach programme and provide assurances that it will continue its current work.

Naomi House has a fine reputation for providing facilities for younger children who are sick, and it has recently begun a programme of building Jacksplace, which will be a superb facility for teenagers who are in need of such care. It has always been awkward for Naomi House to have young children and teenagers together in a hospice. Several hon. Members and I were able to attend the laying of the foundation stone for Jacksplace. I fear that it will also be in jeopardy unless we can find funds urgently for Naomi House.

I hope that the Exchequer Secretary will view the matter as unique. I do not want to do down other charities that look after cats or rare birds, but surely the charity that we are considering does, in many ways, the Government's work for them. It has lost money through no fault of its own and must cut back essential services for children. The charity is a case for special pleading—the Government should step in and act with urgency.

5.43 pm

The Exchequer Secretary to the Treasury (Angela Eagle): I congratulate the hon. Member for Basingstoke (Mrs. Miller) on securing this important debate and I thank other hon. Members with a constituency interest who have contributed and rightly reflected their concern and that of their constituents about the circumstances in which Naomi House finds itself.

As the hon. Lady said, the hospice does extraordinary work to provide respite care, terminal care and bereavement support for children and families from across the south of England. I know from my inquiries that hundreds of families are grateful for the dedication of the Naomi House staff and the support that they have received from the charity, often at the most traumatic times of their lives.

The Government's current support for Naomi House is worth £330,000. As the hon. Lady pointed out, that is a small portion of the overall funding that the charity generates, and pays for only a small portion of the work that it undertakes. I have a similar institution, Clare House, in my area, albeit not in my constituency. Many right hon. and hon. Members in all parts of the House have had direct experience of the extremely valuable work that such organisations do. I hope that no one will be in any doubt about the widespread recognition of the value of the work that such institutions do. In recognition of the work that children's hospices do, the Government announced in February that the current grant for England's 40 children's hospices would be extended, with a further £20 million available between 2009 and 2011.

As the hon. Lady pointed out, Naomi House is among those British charities that hold deposits in the Icelandic banks or their UK subsidiaries. This is an extremely uncertain time for those charities and for a

wide range of other bodies that are in a similar position, be they companies, educational establishments, local authorities or other not-for-profit organisations. The majority of the charities affected hold deposits in Kaupthing Singer & Friedlander—or KSF—which is a UK-based subsidiary of Iceland's Kaupthing bank. As with much else in the current financial turbulence, the situation regarding the Icelandic banks in the UK is complicated, so it is worth reminding ourselves how we got into these circumstances.

In July, the International Monetary Fund's mission to Iceland concluded that the Icelandic banking sector faced significant risks. On 29 September, the Icelandic Government acquired a 75 per cent. stake in Glitnir, nationalising Iceland's third largest bank. Amid the turbulence in global financial markets, two other Icelandic banks—Landsbanki and Kaupthing—found themselves in increasing financial difficulties. On 7 and 8 October, the Financial Services Authority, the UK's financial regulator, determined that the funds held by the UK operations of those two banks—Heritable and KSF—no longer met the levels of funding required by law. The banks had put themselves in an unsustainable position. Their holdings had sunk to such a level that it would have been dangerous for them to continue accepting money from depositors. To protect retail depositors, the Treasury, using powers under the Banking (Special Provisions) Act 2008, transferred retail deposits from KSF's Edge deposit business and from Heritable to ING Direct. The remainder of the business entered into administration, with the remaining eligible retail depositors also being guaranteed.

The Government have announced that we will guarantee all UK-based retail depositors in Icelandic banks. That guarantee ensures that individual UK savers will receive protection in full. Of course, those charities that are eligible claimants will receive protection under the Financial Services Compensation Scheme, but there are no special rules under the scheme for charities, whose eligibility is determined in the same way as for all other depositors. The FSA is responsible for making the rules governing eligibility for compensation under the Financial Services Compensation Scheme. The rules are based on organisational form rather than organisational purpose. "Charity" is a status that can apply to a number of forms, because charities and other third sector bodies can be—and are—organised in different ways.

The guiding principle behind much of the financial regulation is that the system is intended to offer protection to ordinary investors, savers and users of financial services—in other words, people who have limited resources, who are less likely to have access to the expertise to protect themselves and who might not be in a position to reduce the risks that they face by, say, diversification. In practice, that translates into making private individuals and small organisations of all kinds—that is, retail depositors—eligible as claimants under the Financial Services Compensation Scheme, as well as treating all larger organisations as wholesale depositors and therefore ineligible for the compensation scheme.

The hon. Lady rightly pointed out that Naomi House is not defined as a small depositor or a retail depositor, but as a wholesale depositor.

Many small charities will be guaranteed under the scheme, but Naomi House and other larger charities will not qualify. Like a number of other charities, companies, educational establishments, local authorities and other bodies, Naomi House is classified as a wholesale depositor and, as such, will have to await the outcome of the administration procedures.

The Government's decision to intervene to ensure that retail depositors receive their money in full was based on the need to ensure financial stability and to protect the taxpayer. Compared with small retail depositors, wholesale depositors have a greater ability to assess and mitigate financial risk, including through diversification of their savings or investment portfolios. Charities that are not eligible for compensation from the Financial Services Compensation Scheme will be treated in accordance with the usual administration procedures.

Details of the timetable and the process for the administration of KSF are a matter for the administrators, Ernst and Young, and I would suggest that those charities seeking further information contact the administrators directly. I was pleased to learn—the hon. Lady mentioned this in her speech—that Naomi House has played a central role in the creation of a new charity action group, formed to represent charities that have deposits at risk with KSF. More than 25 charities are members of the group, which is campaigning to secure the return of the funds invested with the bank. I am also pleased to report to the House—again, the hon. Lady mentioned this—that a representative from the group speaking for Naomi House and other charities has secured a place on the creditors committee of KSF, which met the administrators for the first time on Monday. That representation on the creditors committee will give charities a stronger voice during the administration process. The third sector is independent and, as such, it is not the Government's role to provide charities and other not-for-profit organisations with financial advice.

Mr. Oaten: There was indeed a meeting on Monday, and I do not know whether the Minister has heard the feedback, but it was pretty grim news for the charities attending because the creditors made it clear that the charities were very much at the back end of the queue, so it is very unlikely that Naomi House will have its money returned under that process.

Angela Eagle: Processes of administration have to be gone through and the creditors have a particular queue to go through in law. There is no option but to go through the process. I recognise that it leads to some uncertainty, and it is too early in the process to tell whether all the money will be forthcoming in the end. That is the nature of administration procedures of this kind, as the hon. Gentleman knows.

Chris Huhne: The other problem, of course, is that the administration process can be very lengthy. We have seen under past administrations that the process has taken an incredible amount of time—we saw it with the Bank of Credit and Commerce International, for example. Moreover, the professional advisers' fees have eaten up large amounts of the money that was ultimately available to creditors. In those circumstances, given the importance of the work of some of these charities and the likelihood that the public sector will have to pick up the bill for some of that work if it is not done, does the Minister think that a little more flexibility would be in order?

Angela Eagle: It is easy to call for a Minister to be flexible in these circumstances and I can tell the hon. Gentleman that there is nothing I would like more than to be able to be flexible in all kinds of ways in these circumstances, but there are many creditors and many larger charities with problems in this particular tale. Other public authorities and other organisations and businesses might well say that they have as much of a right to the flexibility that the hon. Gentleman is asking me to exercise on behalf of this charity alone. There are any number of other charities and I have to say that it is very difficult, much as I would like a sensible line to be drawn.

Mrs. Miller: I can understand the problem faced by the Minister, who clearly has to make decisions. I was simply picking up, however, on what her colleague the Leader of the House had said when she was in her place, exactly where the Minister is now. I quote her again:

"We are taking steps to protect larger charities by freezing the assets of the Icelandic banks and by lending £100 million while the unfreezing of those assets is sorted out."—[*Official Report*, 15 October 2008; Vol. 480, c. 790.]

It seemed very clear to me at the time that the Leader of the House was offering tangible support to those charities, including specifically Naomi House. Has that situation changed?

Angela Eagle: I am happy to deal with that issue. What my right hon. and learned Friend the Leader of the House said is absolutely accurate, but the hon. Lady might have misunderstood the use of the £100 million. This was a reference to a loan made to the London branch of Landsbanki by the Bank of England on 13 October, in order to assist it in its wind-up. The loan is secured over a significant amount of Landsbanki's assets and at a commercial rate of interest. It is expected that the loan will be recovered in full from those assets as Landsbanki is wound up. That will help to ensure an orderly wind-down for Landsbanki, which maximises returns to its creditors, but it is a short-term loan for Landsbanki.

From information that we subsequently received via the Charity Commission and because of the work of the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Cardiff, West (Kevin Brennan), it emerged that most of the charitable money caught up in the Icelandic banking situation, if I may refer to it in that way, appears to be held in KSF. I would not like the hon. Lady to go away with the impression that there is £100 million out there on deposit, waiting to be given in grant aid of some kind to charities that are affected as creditors of the Icelandic banks. That is not the use that the £100 million referred to by my right hon. and learned Friend was put to, and it is not and never was the intended use of the money, which is being focused on a bank that, as far as we can tell, does not have charitable deposits in the same way as KSF.

Mrs. Miller: I thank the Minister for giving way again; she is being very generous. I am surprised by that statement, because the Leader of the House was responding to a direct question about what support was being given to charities. It is surprising to discover that the £100 million was not being made available to charities, but was being used to prop up a bank. Would it not have been better to have perhaps directed some of that money to tide charities over in the way that charitable organisations have asked?

Angela Eagle: The hon. Lady has made her point, but this is not propping up a bank. The £100 million was given to Landsbanki to secure the orderly wind-down of a bank whose assets had been frozen. The assets were frozen to prevent them from being taken out of the country in a drastic and rapidly developing situation. The £100 million that was lent does not prop up the bank. As I said earlier, it helps to secure an orderly wind-down of a bank that is not relevant to Naomi House's issue, because it is Landsbanki, not KSF.

First, this is a loan; it is not a grant. Secondly, it will be recovered in full at a commercial rate of interest as part of the wind-down of Landsbanki, so I would not like the hon. Lady to go away with the idea that, somehow, there is a pot of £100 million that could have been used, or is intended to be used, to give some protection to wholesale depositors. The Government decided to protect retail depositors. Wholesale depositors, whatever their form, go into the queue through the administration process to try to recover the money that they have on deposit. That includes all the authorities, public or otherwise, and companies and investors that do not qualify as retail investors. That is the situation as it is at the moment. Let me assure this House that the Government take very seriously the problems faced by charities with regard to their deposits in Icelandic banks and their UK subsidiaries.

Lord Myners and the Minister with responsibility for the third sector, my hon. Friend the Member for Cardiff, West, have met over the past two months with representatives of the charity sector to gain a clearer understanding of the challenges they face.

6 pm

Motion lapsed (Standing Order No. 9(3))

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Spellar.)*

Angela Eagle: The Office of the Third Sector, in collaboration with a wide range of stakeholders, has been working to ascertain the full extent of investment assets affected by the situation with the Icelandic banks. Third sector representatives involved in this work include the Association of Chief Executives of Voluntary Organisations, the National Council for Voluntary Organisations, the Charity Finance Directors Group and the Charities Aid Foundation. The Charity Commission is undertaking further work that complements the efforts so far. The Office of the Third Sector has also been liaising directly with affected charities and is working closely with the Charity Commission to support charities that have deposits in Icelandic banks.

Mr. Mark Hoban (Fareham) (Con): In these discussions, has consideration been given to a temporary funding facility for charities with money locked up in Icelandic banks to help see them through to the distribution that the administrator may make, which could be in one or two years' time?

Angela Eagle: The hon. Gentleman asks a reasonable question. He is really talking about the Government providing an unsecured loan facility for affected charities, but we do not feel that that would be an effective use of public funding, simply because there is no additional source for such a grant fund to be drawn from. The money would have to be taken out of moneys already earmarked for charitable purposes by the Office of the Third Sector, which would mean taking money out of a series of initiatives that have been decided on for strategic reasons, including third sector capacity building, volunteering, public service delivery and social enterprise programmes.

We could do that, but if one looks at the list of charities that are most affected by the freezing of their assets in Icelandic banks, all are worthy but not all tie in directly with objectives that we would normally expect public money to be used for. I am a great lover of cats, and Cats Protection is one of the charities. How would we distinguish between helping one charity and another in that context, and do so in a way that could be seen to be fair legally?

Chris Huhne: Will the Minister give way?

Angela Eagle: I will give way in a minute. Opposition Members are right to be concerned but there are no easy answers to the issue, short of guaranteeing all the wholesale depositors as well as the retail depositors. That is a large amount of money, and we would be criticised for using it in that way. A blanket guarantee is not possible. Thinking about whether one could pick out one charity rather than another without being invidious or subject to a series of legal challenges is a complete minefield. I ask hon. Members to think carefully about that. We all would like to be able to do something effective in circumstances as difficult as these. The Government are doing what we can, without getting into that minefield, and we will give the support we can. I can assure hon. Members of that, but there are no easy answers. I am happy to give way again, but I hope that those concerns that I have expressed are being taken on board, because they are very real, and difficult to get around.

Chris Huhne: As someone who covered the Treasury for many years as a journalist, I am acutely aware of the traditional attitude that the Treasury takes towards public money, and I would not want it to be other than extremely careful with public money. However, it seems to me that there are two ways in which the Minister might proceed. One of them is that where a charity is in receipt of public funding—as Naomi House is, to the tune of £330,000, as the Minister pointed out—it is clearly embarked on the process of meeting public purposes. Therefore, one clear distinction that the Minister could draw, when extending help to some charities and not others, would be to distinguish between charities that are embarked upon meeting public purposes, which is already recognised in the fact that they are in receipt of public funds, and those that are not.

May I try to help the Minister on another issue as well? She takes the traditional Treasury view that if funding is to be found for one purpose, it must come from somewhere else. However, this is a genuine contingency; it is genuinely unforeseen. It therefore falls well within the potential remit of the Contingencies Fund. Is it possible to use resources from that fund?

Angela Eagle: I am not going to make new Treasury policy at the Dispatch Box now, especially when, as I have pointed out—I hope the hon. Gentleman recognises this, although he did not say that he did—there are genuinely difficult issues in trying to provide support in a consistent and fair way, without reaching the stage where there are simply too many implications for other areas of public expenditure. I am happy to think about what he has said, but I hope he will recognise that there are very difficult issues in respect of whether wholesale, rather than retail, depositors ought to be supported as he suggests.

Mr. Oaten: I understand the difficulty that the Minister faces, and I myself am also struggling to find a way around it. Setting aside the arguments that are being put forward, might the Minister be flexible on this issue? If we discover that the primary care trusts are struggling significantly in respect of funding to fill the gap that is now created because of the Naomi House situation, will those public bodies be able to call on the Department of Health to fill that gap? There will clearly now be a gap. They will need additional funding to do the work that Naomi House was doing. That will be the provision of money not to a charity, but to fill the gap that is caused by the PCTs now having to do the work that Naomi House previously did.

Angela Eagle: All I can say is that Members who are working to bring these difficulties to the House's attention must carry on doing that. We need to be kept in touch—as I am sure my hon. Friend the Minister with responsibility for the third sector is being kept in touch—with developments, and we will keep our eye on this issue. That is all that it is possible for me to say at this stage.

Mr. Letwin: I wonder whether the Minister has quite taken the force of the point made by the hon. Member for Winchester (Mr. Oaten). We do not yet know what any PCT will have to do. If it transpires that because this matter was not investigated by the Government now, some months from now more public money is being spent on providing a service than would have been spent if the outreach service, for example, had been funded at this stage through Naomi House, that would amount to an increase in public expenditure. It would be sad, to say the least, if there were both a gap in provision and an increase in public expenditure, when there could have been less public expenditure and no gap in the service.

Angela Eagle: I understand the logic of the right hon. Gentleman's argument. I just ask that Members with a direct constituency interest keep my hon. Friend the Minister responsible in touch with developments. I will also endeavour to ensure that the relevant health Minister is made aware of the content of this Adjournment debate, so that we can keep an eye on this situation as it develops. Again, however, I hope the right hon. Gentleman will recognise that there are difficulties in contemplating wholesale depositor protection. That is not possible, and it is very difficult to think about which charities might qualify for special attention over and above others. It is very difficult to see how, despite the helpful suggestions that have been made, one charity could be picked over another.

Mr. Letwin: I promise that this is the last time that I shall intervene—but I was not suggesting, and I am not sure that the hon. Member for Winchester was, either, that there should be special protection for any wholesale depositor. I was suggesting that it might, as a public policy of the Department of Health, be rational to fund, at least in the interim, a service that is of importance as a health service.

Angela Eagle: As I said, I shall draw the attention of the relevant Minister to our debate. Despite what people think, the Treasury is not in control of everything. It is for the relevant Ministers to think about the implications of developments in their own areas, rather than for me to commit them from the Dispatch Box to do all sorts of things, given that they are unsighted, and are not even present. I am not sure that they would thank me for making such commitments. However, I undertake to point out to them the nature of the debate that we have had.

With that, I hope that the hon. Member for Basingstoke will convey to her constituents—and the hon. Member for Winchester (Mr. Oaten), in whose constituency Naomi House is, will convey to his—how aware the Government are of the circumstances being faced, and how helpful we wish to be, particularly in respect of developments as they occur. I also hope that hon. Members will recognise the difficulties that we face in this respect.

Mrs. Miller: I just wish to make one simple point on behalf of my constituents, and others throughout the seven counties who use this facility. They will find what the Minister has said compelling in the light of the grave financial problems that this country faces, but somewhat at odds with what her right hon. and learned Friend the Leader of the House said in Winchester when taking part in an interview, and specifically talking about Naomi House. She said that she would not

"leave them on their own".

I think that Naomi House could be forgiven for feeling very much on its own after today's debate.

Angela Eagle: That was rather an uncharitable intervention, because I have done my best this evening to set out some of the difficulties with the difference between retail and wholesale depositors, and them the implications of them. I do not believe that this Government are leaving the charitable sector on its own. Its representatives have met two different Ministers, we are in contact with developments and we have met the range of organisations that I listed to deal with the ongoing situation. The point at issue is whether wholesale depositors can be converted into something else and helped in part, because it is not possible to guarantee all wholesale depositors—indeed, many Members of this House would not regard that as a remotely acceptable development, if it were to occur.

We face difficulties, but I would like to emphasise again that this Government have not left charities on their own. We are working with them to see what we can do to assist them as this process goes on. We will continue to do that, and I hope that the hon. Lady will be assured by my suggestion that that is so.

Question put and agreed to.

6.13 pm

House adjourned.

House of Commons

Monday 8 December 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Business of the House

2.33 pm

The Deputy Leader of the House of Commons (Chris Bryant): I beg to move,

That, at this day's sitting, the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of Ms Harriet Harman relating to the Speaker's Committee on the Search of Offices on the Parliamentary Estate not later than three hours after the commencement of proceedings on the Motion for this Order; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; proceedings may continue, though opposed, after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.

Since this issue first arose, the House has had a series of occasions on which right hon. and hon. Members have had an opportunity to raise important matters of concern. Last Wednesday, 13 Members took the opportunity to raise points of order on this matter for nearly 20 minutes. Last Thursday, 20 Members raised points on this matter during the 50 minutes devoted to business questions. The Home Secretary then made a statement on the matter and answered questions from 33 Members for a further hour. There was then a five-hour debate on home affairs, during which five Members also took the opportunity to raise their concerns. It is against that context that the business of the House motion allows three hours for us to debate this issue this afternoon.

Mr. Kenneth Clarke (Rushcliffe) (Con): Will the hon. Gentleman explain what business, Government or otherwise, he is seeking to protect by moving this motion? We have had the thinnest Queen's Speech for years and years, there is no pressing Government business and we have an extremely long recess. All we are asking is that ideally we should continue debating the main subject of the day until 10 o'clock this evening. Are the Government prepared to allow any controversial subject to be discussed on the Floor of the House any more?

Chris Bryant: The right hon. and learned Gentleman will know that the choice of debates on each day following the Queen's Speech is up to the Opposition. It is the Opposition who have chosen that this afternoon we should debate employment, universities and skills, and housing. If we are protecting business this afternoon, it is that debate, which the right hon. and learned Gentleman and his colleagues wanted. If the motion is agreed to, and then the 10 pm business of the House motion is agreed to later this evening, today's business will be able to continue past the moment of interruption at 10 pm. I believe that we will be allowing adequate debate of this important matter this afternoon, and I commend the motion—

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con) *rose—*

Chris Bryant: I give way to the right hon. and learned Gentleman.

Mr. Hogg: The Deputy Leader of the House will remember that on 12 November we had a similar kind of debate on regional Select Committees. He criticised us for not tabling amendments on the timing, saying that if we did he would give them very serious consideration. Why has he not acceded to the proposals that we have put forward today, which were a test of his good faith?

Chris Bryant: I am sure that the right hon. and learned Gentleman would not want to question my good faith. In response to him, I should say that I and the Government have considered at length whether the amount of time is appropriate. I know that he has tabled an amendment, and I am sure that he wants to make sure that it is debated and voted on. All I would say is that I commend to the House the business motion as it is on the Order Paper in the name of my right hon. and learned Friend the Leader of the House.

2.37 pm

Mrs. Theresa May (Maidenhead) (Con): I have to say to the Deputy Leader of the House that not only is the amount of time that the Government are giving for the debate of this motion totally inadequate, but his defence of that business motion was totally inadequate. I am very impressed by the revision and homework that he has done in finding out how many people spoke in the home affairs debate and during the Home Secretary's statement last week, for example, but the business before the House today is about the establishment of the Speaker's Committee and the putting into place of the wishes that Mr. Speaker expressed in his statement to the House last Wednesday.

The motion before the House today was not on the Order Paper last Thursday, so people were not able to make contributions in relation to the motion that we wish to debate today. In future, the hon. Gentleman should go away and do his homework rather better before he comes to defend an inadequate motion such as this. My right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) has already pointed out that it was the Deputy Leader of the House himself who, on 12 November, indicated to the Opposition that if we felt that any business motion was inadequate, we should amend it. He said:

"I am sure that we would have listened to what they had to say."—[*Official Report*, 12 November 2008; Vol. 482, c. 778.]

He now has the chance to put his words into practice—to listen to what has been said. This is an inadequate amount of time to discuss the Speaker's Committee on parliamentary privilege and on the seizure of papers from the office of a Member of this House, which interrupted the ability of that Member to do his job on behalf of his constituents. The Deputy Leader of the House should think again, put into place what he said on 12 November, accept the amendments and give us proper time for debate.

2.39 pm

Simon Hughes (North Southwark and Bermondsey) (LD): Not only do we have today, as the right hon. and learned Member for Rushcliffe (Mr. Clarke) said, the beginning of a parliamentary year with the lightest Government programme that there has been since this Government were in office, and not only do we have a proposal for this House to sit for fewer days this year than at any time, certainly since 1979 and possibly since the last war, but yet again the Government cannot resist the temptation to try to prevent the House of Commons from debating, in time that is adequate for all voices to be reflected, an issue of great importance. If we cannot have the time to debate whether police can come into this building, when they can do so, on whose authority, what they can take and whether they can interfere with our constituents' links with their Members of Parliament, it is a very sorry state of affairs and a very sorry House of Commons.

My right hon. and hon. Friends will support the amendment in the name of the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) and my hon. Friend the Member for Somerton and Frome (Mr. Heath) because we should have time to debate the procedures of this place and to give this matter proper consideration, and because there is plenty of time to debate the Queen's Speech, the VAT reforms and any other matters before Christmas. This is about the Government trying to clamp down on the House of Commons having its say, and I hope that colleagues in all parts of the House will oppose them. This is not the sort of business that we elect Government to do—they should take their hands off and let the House of Commons do its job properly.

Peter Bottomley (Worthing, West) (Con): On a point of order, Mr. Speaker. Would it help the Deputy Leader of the House for you to ask MPs who want to speak in the main debate to stand so that he can see how many people want to speak?

Mr. Speaker: I call Mr. Hogg.

2.41 pm

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): I beg to move amendment (a), leave out 'three' and insert 'six'.

I oppose the Government's business motion. The purpose of the amendments is to enable this House to have a proper discussion. What is currently proposed is that the House should have a debate of three hours in total that is on both the business motion and the substantive motion, and that should we decide to vote on the business motion that time will come out of the time allowed for the substantive motion. I am saying to the House that that is profoundly unfair. In any event, the business motion is protected by the ability to move the closure. I am suggesting that the substantive motion should allow the House to debate for six hours. My right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) is wholly correct when he says that this is the most urgent matter currently before the House.

I want to make a few very brief points, because other right hon. and hon. Members wish to speak. First, this is essentially a House of Commons matter. The Government are seizing control of the programme in a way that many of us think is wholly wrong. Secondly, and differently—I am now coming back to the point that I made in an intervention on the Deputy Leader of the House—we had a not dissimilar debate on 12 November, and I remember that he intervened on me when I was speaking to oppose the business motion, and said: "Why didn't you put down an amendment; if you had, we'd have given it serious consideration?" Well, we have put down an amendment, and they have not given it serious consideration. I am casting no personal aspersions on the hon. Gentleman, but this matter—*[Interruption.]* The Solicitor-General should not get excited; it does not suit her. This is a matter that goes to the good faith of the Government, and if they do not respond, and respond positively, we will know where they stand on it.

Finally—this will take just a moment longer—going back to your statement of last Wednesday, Mr. Speaker, you said, in effect, three things: first, that you were going to appoint a special Committee of seven senior and experienced Members appointed by yourself; secondly, that the Speaker's Committee was going to investigate the circumstances surrounding the search and seizure of the offices and papers of my hon. Friend the Member for Ashford (Damian Green); and lastly, that the Committee was to report as rapidly as possible. Those were the three elements in your statement. When we go to the business motion and the substantive motion, we find that each of those three requirements has been frustrated by the Government. To start off with, it is not going to be seven senior and experienced Members appointed by yourself. There is no reference to seniority or experience, but there is reference to the Committee having a Government majority. That was not in your statement. We are entitled to have the time to ask why you are being frustrated in that manner.

The second, and quite different, point is this: when we look at the terms of the substantive motion, we do not find anything about looking at the circumstances surrounding the search and seizure. We find only talk about future rules and processes. We are entitled to know, and we need time to debate, why it is that the Government are again frustrating your wishes in this regard.

Lastly, and by no means least importantly, you said that you wanted this Committee to report as soon as possible. That is made impossible by the motion, because it provides that the first thing that the Committee does is adjourn. We are entitled to know why the Government are doing that. Well, I can tell you; they have four principles—we have heard a lot about the four principles in this House—and they are something like this: concealment, duplicity, whitewash and cover-up. We have a right to debate the matter fully and properly in this House, and I hope that this House will reject the business motion as unworthy of democracy.

2.46 pm

Nigel Griffiths (Edinburgh, South) (Lab): Unlike the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), I want to proceed quickly and not talk this matter out. I wish to make two brief points. First, if we went straight to the debate now, and even if the Front Benchers took up an hour, there would be time for at least 14 Back-Bench Members to make a contribution and to reflect every shade of opinion in this House. Secondly, which other citizen of this country

who was subject to potential criminal investigation and prosecution would be entitled to have a debate in this House—one which I fear might well be prejudicial to those hearings?

Mr. Speaker, in the face of the concern expressed, you were right to hold a debate, but we have to be careful to ensure that that debate is limited while proceedings may be going on, so as not to prejudice any possible trial. I urge all right hon. and hon. Members to bear that in mind.

2.48 pm

Mr. Nigel Evans (Ribble Valley) (Con): The intensity of feeling on this issue is demonstrated clearly by the number of Members who are present today. Let us try to think of the last time when the House has been packed at 2.48 on a Monday afternoon. That clearly shows why we believe that having three hours to debate this matter is inadequate.

When you made your ruling, Mr. Speaker, a number of points of order were raised, which you answered in some cases by saying that there would be a debate during which people could bring up the matters in question. By limiting the amount of time we have for debate, and given the number of Back Benchers who want to get in, the vast majority of us will simply be denied an opportunity to speak in the main debate.

The Deputy Leader of the House said that it was up to us—the Opposition—what matters were to be debated today, in the Queen's Speech. Then I ask him to give us that opportunity, and ask us what we want to debate today. He will find that we wish to debate the issue that is before us until 10 pm.

2.49 pm

Mr. Frank Field (Birkenhead) (Lab): Many of our constituents might have been watching these proceedings—

David Taylor (North-West Leicestershire) (Lab/Co-op): They've switched off.

Mr. Field: Precisely. Given that our constituents, like us, think that the matters that we wish to discuss are important, I would make a plea to them that they continue to watch and listen. However, I guess that most of them would think that, however important the matters might be, we could make our points within three hours. It is not necessarily the number of Members who speak, but how we vote that people will judge us by. I make this plea to all hon. Members: to us, this debate is high drama; to most of our constituents, it has already descended into farce. I make a plea that we get on with the business of the House and debate the substantive motions, including the amendment of the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), so that we can get to the guts of the matter and not continue to suffer from this pantomime.

2.51 pm

Sir Nicholas Winterton (Macclesfield) (Con): I am very pleased to follow the right hon. Member for Birkenhead (Mr. Field), but I am both saddened and surprised at the attitude that he has taken. I was freely mixing with a range of people in my constituency over the weekend and they view this matter as one of considerable constitutional importance. They also believe that the statement that you made to the House last week, Mr. Speaker, Sir, following the arrest of my hon. Friend the Member for Ashford (Damian Green), should have a proper amount of time to be debated.

In opposing the motion, let me say this to the House. Even in Zimbabwe, on 26 January 1982, when Mr. Mugabe's police wished to arrest a Member of the Zimbabwean Parliament, they did not, could not and would not enter the House of Commons in Harare. If they were not prepared to enter because of the constitutional rights and privileges of Members of Parliament there, why should the police enter this House without a warrant and confiscate an hon. Member's belongings?

Your statement, Mr. Speaker, was filled with a number of matters that I believe the House would wish to debate in detail, not least the one that my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) mentioned: your indication that you, and not the Government, would appoint seven Members, and that there would not necessarily be a Government majority. That was absolutely right. The request that you made in your statement has not been granted by the Government.

Let me say this to the Leader of the House and the Deputy Leader of the House. When the Prime Minister took over from his predecessor, he said that he wished to restore to this House an element of independence and integrity. Are the Government doing that in today's motion? I say that they are not. This motion should be opposed.

2.53 pm

Michael Jabez Foster (Hastings and Rye) (Lab): This debate is a massive smokescreen. I am probably one of the busiest MPs—I am not saying that I am the busiest, but I am one of them—and I receive hundreds of letters and e-mails each week, yet only one constituent has raised the issue with me. This is self-indulgence on the part of parliamentarians who seek privilege over everybody else. If people commit wrongs, they are entitled to be found out.

It is clear to me that three hours is adequate for the issues to be determined. There will be outstanding issues at the end of the debate, but the essential question is: what is all this about? It is about an Opposition who do not want to talk about the economy or all the other things involved in the inquiry, and who do not want to tell us what they know about illegalities in the civil service. That is what this is about and it is what we will talk about in due course.

For now, however, all we need is sufficient time to look further into the issues that presented themselves to you, Mr. Speaker. One issue was perfectly clear to me—that two warrants were issued against two establishments and a technicality ensured that a warrant was not issued in respect of the House of Commons. For my part, I cannot see a difference, and three hours is quite long enough to debate no difference.

2.55 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): How does this House defend the freedoms and liberties of all the people of this country if we are unable to

[Mr. Richard Shepherd]

defend the freedoms and liberties of this House? That is a theme that has run through our history. This guillotine motion is entirely about House of Commons matters. This is a matter not for the Government or the Executive, but for us as a collective body. When we come to debate these matters, we understand that they are central to our own concepts of the liberty of those whom we represent. To truncate debate on such matters on the basis that anyone who speaks may be representative of the House misjudges what this House is about. The quietest voice from the furthest corner of the House might illuminate something that we have missed.

Why I argue very strongly that there should be no guillotine on this matter is that it looks improper, in a sense, that the Speaker's own statement, in which he set out the rule he wanted discussed, has been traduced by the motion before us. That is the point, and who moves the motion? It is the Leader of the House, who is also the Minister for Women and Equality—indeed, she has a whole bundle of Executive jobs—so it leaves the suspicion in people's minds that the Government entirely run the whole business of this House. If we reflect, and if we stand as Members of Parliament, we must see that what is happening cannot be in the interest of ourselves, of the standing of Parliament or of those out and beyond the House whom we represent and whose liberties and rights we are here to defend. It cannot be in the interests of the Government either that they effectively tear up what Mr. Speaker said we would be debating today and put in its place a motion that constricts debate and designs what presumably the Government wanted rather than what Mr. Speaker wanted.

I oppose the motion and ask the House that when we debate it, it will be not a partisan matter, but a matter of this House, its competence and its authority. Why would I vote for a House that is worth nothing?

2.57 pm

Bob Spink (Castle Point) (Ind): I agree with the hon. Member for Aldridge-Brownhills (Mr. Shepherd) on the guillotine, and in the light of your statement, Mr. Speaker, I believe that the House needs to debate these matters fully. I would argue, however, that today is not the time. We have two privileges to uphold: one is the privilege of this House, but another important principle that is at stake is the independence of the police. It sometimes helps if we allow the police to do their job without interference, pressure, bullying or intimidation, particularly from this House when it is involved, and before the House pontificates at length on those matters. I hope that we will have a debate, but only after the police have done their work. That is an equally important principle, so I hope that everyone who speaks in the debate will not prejudice the police's work.

Mr. Brian Binley (Northampton, South) (Con): You should be ashamed of yourself.

Bob Spink: If the hon. Member for Northampton, South (Mr. Binley), who is shouting from a sedentary position, wants to intervene, I would delighted to give way to him—*[Interruption.]* It seems, Mr. Speaker, that the hon. Member has not—*[Interruption.]*

Mr. Speaker: Order. I called the hon. Member for Castle Point (Bob Spink) to speak and he must be allowed to be heard. *[Interruption.]* Order. Let me explain to the hon. Member for Northampton, South (Mr. Binley) that where the hon. Member for Castle Point wants to sit is his business and no one else's.

Bob Spink: I am very grateful, Mr. Speaker, and I will bring my remarks to an end, as other Members want to speak.

We must consider both principles that I mentioned, and investigate these matters calmly and in a considered manner, but at the right time.

2.59 pm

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): I support the Government motion, because the time given in it more adequately reflects the priorities of my constituents. When I go to my constituency, I do not hear people talk about whether there should have been a warrant to visit the offices of the hon. Member for Ashford (Damian Green); I hear them talk about housing for low-paid people. In local schools, the talk is about Labour's policies for improving the life prospects of people who have hitherto been deprived of opportunities to go to university. Above all, faced by the credit crunch, both local manufacturers and the employees in their factories are concerned about their future employment prospects and whether they will have a job after Christmas. Those are the priorities of my constituents and the country as a whole, and every opportunity, and the maximum time, should be given to debating them in relation to the Queen's Speech. If we are talking about truncating, we should truncate discussion of House of Commons issues in favour of discussing the issues facing my constituents and other constituents.

3.1 pm

Mr. Robert Marshall-Andrews (Medway) (Lab): May I inform you, Mr. Speaker, that one of the reasons why the Labour Benches are so gratifyingly full is that we are on a four-line box—a form of Whip that I have never seen before, but one that is a thinly disguised three-line Whip? It is wholly inappropriate that parliamentary business of this kind should be conducted under a three-line Whip, which I hope that many of my hon. Friends will ignore.

Mr. Speaker: I remind the House that two amendments are before us. Amendment (a) has been proposed.

Question put, That the amendment be made:—

The House divided: Ayes 234, Noes 308.

Division No. 1] **[3.2 pm**

AYES

Afriyie, Adam	Barker, Gregory
Ainsworth, Mr. Peter	Baron, Mr. John
Alexander, Danny	Beith, rh Sir Alan
Amess, Mr. David	Bellingham, Mr. Henry
Ancram, rh Mr. Michael	Benyon, Mr. Richard
Arbuthnot, rh Mr. James	Beresford, Sir Paul
Atkinson, Mr. Peter	Binley, Mr. Brian
Bacon, Mr. Richard	Blunt, Mr. Crispin
Baker, Norman	Boswell, Mr. Tim
Baldry, Tony	Bottomley, Peter

Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. (Monmouth)
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Fisher, Mark
Flynn, Paul
Foster, Mr. Don
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Lloyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Marshall-Andrews, Mr. Robert
Mason, John
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prentice, Mr. Gordon
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shephard, Mr. Richard
Short, rh Clare
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Watkinson, Angela
Webb, Steve
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Douglas Hogg and Mr. Colin Breed

NOES

Abbott, Ms Diane
Anger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Beckett, rh Margaret
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy

Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Moon, Mrs. Madeleine
Moran, Margaret
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Usher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Helen Jones and Chris Mole

Question accordingly negatived.

Main question put and agreed to.

Ordered,

That, at this day's sitting, the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of Ms Harriet Harman relating to the Speaker's Committee on the Search of Offices on the Parliamentary Estate not later than three hours after the commencement of proceedings on the Motion for this Order; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; proceedings may continue, though opposed, after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.

Speaker's Committee on the Search of Offices on the Parliamentary Estate

Mr. Speaker: I inform the House that I have selected amendments (b), (e), (c) and (d).

3.16 pm

The Leader of the House of Commons (Ms Harriet Harman): I beg to move,

That, following the search of a Member's office in the Parliamentary Estate by the police and the seizure of material therein, a committee be appointed to review the internal processes of the House administration for granting permission for such action, and to make recommendations for the future;

That the committee must not in any way prejudice any police inquiry or potential criminal proceedings and that therefore it will be adjourned immediately after choosing a chairman until the completion of any relevant inquiry or proceedings that may follow;

That the committee have power to send for persons, papers and records; to report from time to time; to sit notwithstanding any adjournment of the House; and

That the committee consist of seven members appointed by the Speaker reflecting the composition of the House.

Mr. Speaker, in your statement last Wednesday, you asked for a motion to set up a Committee to review the matter of the seizure by the police of material belonging to the hon. Member for Ashford (Damian Green). The motion before the House sets up such a Committee, which would have all the powers of a Committee of the House to get papers and evidence, and would adjourn, after choosing a Chair, until after the completion of the police investigation or any court proceedings in this particular case.

A number of issues are involved. The first is the immediate one of whether the papers and data of hon. Members are properly protected as of now. The second is what led up to the search of the hon. Gentleman's office. The third is whether the important constitutional principles at stake were properly protected in this particular case and whether they are protected for the future.

Mr. Andrew Robathan (Blaby) (Con) *rose—*

Ms Harman: I shall be giving way, but I wish to develop my argument for a few moments.

I know that hon. Members want the issue of the search of Parliament to be sorted out now; they do not wish to wait until after the police have finished their investigation. Last Wednesday, Mr. Speaker, in your statement, you told the House that you have reviewed the handling of this matter. You said:

"From now on, a warrant will always be required...when a search of a Member's office, or access to a Member's parliamentary papers, is sought. Every case must be referred for my personal decision, as it is my responsibility. All this will be made clear in a protocol issued under my name to all hon. Members."—[*Official Report*, 3 December 2008; Vol. 485, c. 3.]

That should provide immediate reassurance about the future to those hon. Members who have criticised the consent to the search.

Several hon. Members *rose—*

Ms Harman: I shall give way in a moment, because I know that hon. Members wish to intervene.

We should remember that at the time consent was given it appears that a magistrates court had issued a warrant to search the hon. Gentleman's home and constituency office. But further to your statement, Mr. Speaker, I can tell the House that I have asked that we consider at our next House of Commons Commission meeting two further matters that should provide even further reassurance to hon. Members: first, whether it should not be a magistrate, but only a High Court judge who would have the power to grant a warrant to carry out a search in Parliament, and, secondly, whether, through the Speaker's counsel, there could be an opportunity for representations to be made to a court considering an application for a warrant to search in the House about the high test that should be applied before a warrant is granted for a search within Parliament.

Indeed, Mr. Speaker, the Commission could consider a further question: if hon. Members' data and papers are to be protected when they are on the parliamentary estate, should they attract the same level of protection when they are in the Member's home or in his or her constituency office? It is, of course, the material that is at issue here, not the building. This is something that the Commission could consider as you take forward the changes in search procedure that you announced last Wednesday.

Mr. Dominic Grieve (Beaconsfield) (Con): I thank the Leader of the House for giving way. She said at the outset of her remarks that she accepted that hon. Members would be concerned that there should be no delay in following up the Speaker's recommendations for an internal inquiry, but does she not realise that by tying it to the police investigation, that is exactly what will happen? Does she not also recollect that, in the case of cash for honours for example, it was up to the Committee to receive representations from the police, if the police believed that there was a reason why the Committee should not pursue its inquiries? It was not the role of this House to fetter the way in which the Committee conducted its business. Why cannot we do that in this instance?

Ms Harman: As I develop my line, I will answer the points made by the hon. and learned Gentleman, as they also lie behind several of the amendments tabled to the motion that I have put before the House.

I just want to make one further point that I hope will provide reassurance to hon. Members. Mr. Speaker, you also provided immediate reassurance for Members concerned about police access to the parliamentary computer network, saying that it was your serious responsibility and that you had already taken action and would look further into the matter. So the House should be reassured on that point too.

Several hon. Members *rose—*

Ms Harman: I shall give way later, when I have developed my argument.

The motion before the House establishes a Committee to start its work as soon as the police investigation is concluded. Mr. Speaker, in your statement on Wednesday, you said that you had decided to refer the matter to a Committee that would report for debate by the House

[Ms Harman]

as soon as possible. But let me explain to the House why that must mean not before the police have completed their investigation.

If the Committee were to be responsible for looking at the process for any search in the immediate future, or at the current protection of data of hon. Members, they could and would need to do that now, but—as I have said—you, Mr. Speaker, have already acted on that. So what remains for the Committee are questions which fall four-square on the same territory as the current police investigation, and the issue for the House is whether the Committee should be conducting an investigation into police action at the same time as the police inquiry of which that action formed a part.

Mr. Edward Garnier (Harborough) (Con): Could the Leader of the House confirm that when the motion states that

"the committee must not in any way prejudice any police inquiry or potential criminal proceedings",

it is simply a question of embarrassment, rather than of contempt of court? As she will know, contempt of court does not apply until someone is charged before magistrates or summonsed before the Crown court.

Ms Harman: As an hon. and learned Gentleman, he should know that it is certainly possible for prejudicial statements to be made even before charge. I will develop my argument on that point, because I know that it is most strongly felt by hon. Members.

Several hon. Members *rose—*

Ms Harman: Let me set out my answer to the hon. and learned Gentleman's point.

There are two problems here. The first is the need for the House to avoid the accusation or perception that we are in any way interfering with the police or breathing down their necks. The second is the need for the House to avoid any inadvertent potential prejudice to any future proceedings in court. What is said and done in Parliament is important. That is why there is concern about the search and seizure. By the same token, anything that we say is influential in criminal cases. We have to look ahead to any future criminal trial. We have to avoid doing or saying anything that could hinder justice—either for the prosecution or the defence.

Several hon. Members *rose—*

Ms Harman: I will press on with my argument because I hope that it is helpful to the House.

That is why Prime Ministers and Home Secretaries have to be very careful about what they say. Leaders of the Opposition and shadow Home Secretaries have to be careful about what they say too. It is for neither Government nor Opposition to pronounce what the evidence is and whether a crime has been committed.

Mr. Robathan: I understand that the Leader of the House began her legal career with the National Council for Civil Liberties as a human rights lawyer. What does she think that her erstwhile colleagues would think of those weasel words?

Mr. Speaker: Order. Temperate language is what we need, please.

Ms Harman: I think that I am showing a proper understanding that justice in this country is a matter for police investigation and decision by the courts. When I was a lawyer at the National Council for Civil Liberties, I never misunderstood the difference between the roles of Parliament and the courts, and neither should the hon. Gentleman. The courts are rightly very vigilant about this matter.

Dr. Tony Wright (Cannock Chase) (Lab): The precedent of the Select Committee inquiry into the so-called cash-for-honours affair has been cited, but we did not have to set that inquiry aside for the duration because the police told us to do so. We did so because we took an independent legal opinion from leading counsel, who said that the danger was that any prosecution would be compromised by anything that happened in Parliament. That was the danger that needed to be avoided.

Ms Harman: My hon. Friend is right. That is why I asked the House to resist the amendments that would have the Committee start its work now.

Mr. Grieve: I come back to my point: there is no necessity for the House to fetter the Committee because it can take the advice of leading counsel and make up its own mind. One of the issues that will undoubtedly arise when the Committee comes to consider the matter is whether on any showing there is any possibility of a prosecution being brought against anybody. I have always found it very difficult in this matter to see how the law can possibly operate to do that at all.

Ms Harman: It is not for anyone to substitute their view for the judgment of the Crown Prosecution Service about whether there should be a charge. It will be helpful for the police to recognise that the House will not be breathing down their necks and that we will adjourn the proceedings of the Committee. We are making a strong statement that this matter is one for the police and that the House of Commons will leave them to get on with the job. I know that the shadow Home Secretary, who is also shadow Attorney-General, and the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) understand the importance of this argument and I urge them to acknowledge it and to act in accordance with it.

In conclusion, I want to set out the four principles that all Members of this House—Government and Opposition, Back Benchers and Front Benchers—should be mindful of and vigilant to protect.

Lynne Jones (Birmingham, Selly Oak) (Lab): I would like some light to be shed on the legal advice that, according to Assistant Commissioner Quick, the Serjeant at Arms took before granting permission for the search of the offices of the hon. Member for Ashford (Damian Green). Is my right hon. and learned Friend aware of any reason why that legal advice should not be published? Is she aware of the contents of that legal advice? As Leader of the House, has she obtained legal advice on the same matter herself?

Ms Harman: If a search was undertaken as part of an ongoing police investigation, it is important that we should not comment on it in this House. [HON. MEMBERS: "Ridiculous."] Hon. Members think that it is ridiculous that we should not comment on an ongoing police investigation, but I shall proceed to say why I think—

Several hon. Members *rose—*

Mr. Speaker: Order. The Leader of the House is not giving way.

Ms Harman: The first principle that I urge the House to be vigilant to protect is that it is essential for the freedom of our democracy that as Members of this House we are able to get on with our work without looking over our shoulders. Secondly, in respect of the rule of law no one, not Ministers, nor Members of this House, is above the law. Thirdly, we need a professional and impartial civil service, and civil servants who feel in conscience that they have to divulge information should be able to do so without falling foul of the criminal law. It was to protect whistleblowers that we introduced the Public Interest Disclosure Act 1998. Fourthly, there is the principle of separation of the Executive and the legislature on the one hand, from the operation of the criminal justice system on the other. No one in this country wants politicians—whether Government or Opposition—telling the police who to investigate or who not to investigate. In any individual case the police are accountable to the courts and to the independent complaints system.

Several hon. Members *rose—*

Ms Harman: I am moving on to make one further point.

While the police are accountable, too, to police authorities and the Home Secretary, where anyone who is the subject of an investigation is known to the Home Secretary it is imperative that she makes it clear that she is standing right back from the inquiry, and that is what she has done. I hope that all Members will support all those four principles and will support the motion to establish the Speaker's Committee, which will look into all these matters and make recommendations for the future. I commend the motion to the House. *[Interruption.]*

Mr. Speaker: Order.

3.31 pm

Mrs. Theresa May (Maidenhead) (Con): This debate is about one thing and one thing only: to put into practice the wish expressed by you, Mr. Speaker, in your statement to the House on 3 December to refer

> "the matter of the seizure by police of material belonging to the hon. Member for Ashford to a Committee of seven senior and experienced Members, nominated by me, to report as soon as possible. I expect the motion necessary to establish this Committee to be tabled by the Government for debate on Monday. I also expect a report of the Committee to be debated by this House as soon as possible thereafter."—[*Official Report*, 3 December 2008; Vol. 485, c. 3.]

That is the motion that we are debating.

Any motion agreed by the House today must put into practice the wishes of Mr. Speaker expressed in his statement last week, and to do so it must include three points. First, the Committee must be able to look into the seizure of material from the office of my hon. Friend the Member for Ashford (Damian Green). Secondly, the membership should be chosen by Mr. Speaker and Mr. Speaker alone. Thirdly, the Committee should meet now and its report should be debated by the House as soon as possible.

Mr. Frank Field (Birkenhead) (Lab): Will the right hon. Lady give way?

Mr. Adam Ingram (East Kilbride, Strathaven and Lesmahagow) (Lab): Will the right hon. Lady give way?

Mrs. May: No, I want to make some progress before I take interventions.

I should have thought that it would be simple for the Government to put those points into a motion for the House. Sadly, they have singularly failed to do so. The motion from the Government bears no resemblance at all to Mr. Speaker's statement and the Leader of the House has singularly failed in her defence of the Government's motion.

Mr. John Gummer (Suffolk, Coastal) (Con): Would not my right hon. Friend agree that not to carry through in precise measure what Mr. Speaker has asked shows that the Government do not have confidence in Mr. Speaker, and is therefore an unacceptable position for the Government in the House?

Mrs. May: I agree with my right hon. Friend that it is unacceptable for the Government to take Mr. Speaker's wishes and actually change the motion so that it does not reflect the wishes of Mr. Speaker.

Mr. Frank Field: May I make a suggestion for the right hon. Lady to consider while we are holding the debate and before we come to a vote? If the Opposition are genuine in wanting to uphold the sentiments that Mr. Speaker expressed, does she believe that the best way for the House to come to a mind on that would be for all of us to support the motion tabled by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell)?

Mrs. May: Absolutely. I entirely agree with the right hon. Gentleman, and I will make that same point towards the end of my remarks. On the three points that I mentioned and the motion that the Government have put forward—*[Interruption.]* It sounds as though a lot of hurried reading of the amendment is taking place. Far from looking into the police's seizure of material belonging to my hon. Friend, the Committee proposed by the Government is merely to review the narrow issue of the internal processes of House administration for granting permission for such action.

I ask the House to note that the Government's motion makes the immediate assumption that they were right to grant permission for an hon. Member's office to be searched and for material to be seized. What the Government want to discuss is merely the internal processes for granting that permission. The Government propose that the Committee's membership should reflect the composition of the House—in other words, that the Committee should have a Government majority. Can the Leader of the House not understand that, for the

[Mrs. May]

Government's own sake, there should be nothing that could suggest that they were trying in any way to rig the Committee's outcomes? The Leader of the House should be in no doubt: if the Committee were set up with a Government majority, it would not have the support of the Opposition.

Perhaps most serious of all is the Government's attempt to delay the work of the Committee and effectively kick the issue into the long grass. The Committee is to be allowed to meet only to elect a chairman; then it must immediately adjourn, not just until the police inquiry is over, but until any proceedings—that is, criminal proceedings—are over. That could mean that the Committee would not start its work for many months, and possibly not until autumn next year.

Several hon. Members *rose—*

Mrs. May: I will complete this point before I take any interventions. The motion in the name of the Leader of the House flies in the face of Mr. Speaker's statement. It is not only a gross discourtesy to Mr. Speaker, but a flagrant abuse of the power of the Executive, in view of the wishes and interests of this House. It is a blatant attempt by the Government to pack the Committee, stymie its debate and delay its work until the controversy has blown over. I tell the Leader of the House that this simply will not do. This House—and Parliament—deserves better from its Leader.

Mr. Mark Harper (Forest of Dean) (Con): I should like to mention one of the reasons why it is important that the Committee should be able to do its work. My right hon. Friend and I asked the Leader of the House a question at business questions last week, but it has not been adequately answered. We asked whether last week the police were granted access to data belonging to other hon. Members. That has not been properly answered. *[Interruption.]* No, it has not been properly answered, and the Leader of the House needs to answer it properly for the House.

Mrs. May: I entirely agree with my hon. Friend. The Leader of the House referred to the fact that Mr. Speaker said that the issue would be looked into, but—I am very happy for the Leader of the House to intervene on me and confirm this—she did not confirm that the police had not had access to the shared drive or the servers. If they had, they would have had the ability to access every Member's correspondence and e-mails. I invite the Leader of the House to intervene on me and confirm that that was not the case. Her silence suggests either that she does not know, or that she is not able to give the House the assurance that it requires, and that is of concern to each and every Member of the House.

Miss Anne McIntosh (Vale of York) (Con): I thank my right hon. Friend for being so generous in giving way. Notably, the same cannot be said of the Leader of the House. Will my right hon. Friend comment on the pertinent question asked by the hon. Member for Birmingham, Selly Oak (Lynne Jones) about the nature of the legal advice sought? Mr. Speaker, from your statement last week, I understood that the whole purpose of today's proceedings and the Committee work that you are instigating was to find out what processes were in place. Who knows who might be the next right hon. or hon. Member to face similar proceedings? I wish to be satisfied today that we know the nature of the process in place. Will my right hon. Friend give us an answer on that point?

Mrs. May: I entirely agree that that is a matter of concern to all hon. Members. Indeed, the point made by the hon. Member for Birmingham, Selly Oak (Lynne Jones) was entirely appropriate, which is exactly why the review should take place and the Committee should be able to meet and start work immediately, so that Members can be satisfied about the processes that are in place and can ensure that they can do their job and carry on with their work.

Several hon. Members *rose—*

Mrs. May: I will give way to the right hon. Member for Rotherham (Mr. MacShane), then I will make progress.

Mr. Denis MacShane (Rotherham) (Lab): I do not know how much, Mr. Speaker, you enjoy the right hon. Lady acting as your interpreter: "This is what the Speaker wants; this is what the Speaker means". I am not sure that that is a helpful way in which to continue the debate. But on the narrow question of the idea that any Committee set-up reflecting the broad composition of the House would be unacceptable to the Opposition, is it not true also that any Committee set-up representing principally just the Opposition may not be acceptable to the Government? Does the right hon. Lady not understand that there are many right hon. Members here who would be quite independent of the Government and quite critical of them, and that Mr. Speaker will decide, not her?

Mrs. May: The right hon. Gentleman referred to the fact that I appeared to be interpreting Mr. Speaker's wishes, but I was quoting *Hansard*. It is perfectly clear: Mr. Speaker said that the members would be nominated by him

"to report as soon as possible."—[*Official Report*, 3 December 2008; Vol. 485, c. 3.]

He said, too, that they would look into "the seizure...of material" from my hon. Friend's office. That is the issue for debate today, and that is what the House should put into practice, but the Government motion singularly fails to do so. Let me be clear about what the debate is not about.

Mr. William Cash (Stone) (Con) *rose—*

Mrs. May: I will make a little more progress before I accept any more interventions.

This whole affair raises a number of questions relating to matters outside the workings of this House: the relationship between the Executive and the police; the responsibilities of the Home Secretary; and the relationship between the Home Office and the Cabinet Office. Those are not matters for this debate. Today, it is for this House to exert its authority and for each and every one of us to consider how we can ensure that the rights of Parliament and of our constituents can be upheld. There will be some people who will ask why we should

bother with this—surely no MP is above the law. Of course, that is the case—no Member of Parliament is above the law, and parliamentary privilege has never protected MPs against criminal proceedings.

There are, however, two key issues at stake. First, MPs must be able to do their job, both in representing their constituents and in holding the Government to account. What we are talking about today is the search of an MP's office and the seizure of material that was fundamental to the ability of my hon. Friend to do his job. Crucially, material held by an MP which is going to be used or is capable of being used in parliamentary proceedings is indeed subject to parliamentary privilege, which we hold not for ourselves on our behalf but for our constituents.

Mr. Oliver Heald (North-East Hertfordshire) (Con): Is it not right that the protection that MPs have is that there should be due process of law? Is it not the complaint that, on the basis of Mr. Speaker's statement, there was not a proper warrant when there should have been, and the processes did not work, which is why we must have the inquiry now so that those lessons are learned?

Mrs. May: My hon. Friend is entirely right. The Committee needs to meet so that we can learn the lessons of the mistakes that were made in the process that was undertaken that led to the ability to search the office of my hon. Friend the Member for Ashford.

Several hon. Members *rose—*

Mrs. May: I said that I would give way to my hon. Friend the Member for Stone (Mr. Cash). After doing so, I shall give way to the hon. Member for Pendle (Mr. Prentice), but then I shall make progress.

Mr. Cash: Does my right hon. Friend think that the Leader of the House has started out on a completely false premise, because the operational independence of the police in this context depends on the application of the Police and Criminal Evidence Act 1984? It is a question of law, but does she not agree, too, that under article 9 in relation to proceedings in Parliament, it is well established that the law and custom of Parliament are the first question to be considered, so there is a conflict between the two, and the courts would undoubtedly have decided that this was a matter of parliamentary privilege, and they would never have let the police in the first place if that had been put to them?

Mrs. May: My hon. Friend is entirely right; he has considerable expertise in this area.

Mr. Gordon Prentice (Pendle) (Lab): The Public Administration Committee, which is so ably chaired by my friend the Member for Cannock Chase (Dr. Wright), met in private a number of times during the police investigation into the cash for honours affair. Why cannot the Speaker's Committee meet in camera?

Mrs. May: The hon. Gentleman makes an extremely important point. There is no reason why the Speaker's Committee would not be able to meet in private if it considered that the matters before it required it to meet in private.

Tom Levitt (High Peak) (Lab): On that point—

Mrs. May: No, I shall make more progress.

I said earlier that we do not hold parliamentary privilege on our own behalf—

Clive Efford (Eltham) (Lab): Will the right hon. Lady give way?

Mrs. May: No.

I said that we held parliamentary privilege not on our own behalf, but on behalf of our constituents. The second issue at stake is the relationship of trust between an MP and their constituents—trust that means that constituents feel able to share information with a Member on the basis of confidentiality. Constituents do not give information to their Member of Parliament on the basis that one day it might be pored over by police officers. Parliamentary privilege is not our privilege; it is the people's privilege.

There is also a practical issue at stake. The House authorities do indeed have responsibility for the House estate, including offices, but the contents of an office—the papers and information in electronic form—do not belong to the House. They belong to the Member, so it was not for the House authorities to consent to the search of my hon. Friend's papers and electronic information. We need to know not just why a search took place without a warrant, but in the absence of a warrant, why it took place without my hon. Friend's consent.

The work of the Committee is not to decide who should have spoken to whom. It is about these fundamental questions of privilege, an MP's ability to do their job, and constituents' rights to confidentiality.

Several hon. Members *rose—*

Mrs. May: No. I listened carefully to the arguments advanced by the Leader of the House. She said, as she has done on previous occasions, that the Committee cannot meet because the House cannot run an inquiry concurrent with the police investigation, as the inquiry could prejudice any police inquiry or any criminal proceedings.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): On a point of order, Mr. Speaker. Will you reflect on the observations that the right hon. Lady has just made? They are starting to border on being prejudicial to any future inquiry.

Mr. Speaker: The right hon. Lady is in order.

Mrs. May: Thank you, Mr. Speaker.

I was going on to say that of course it would be wrong for the House to prejudice a police investigation, but the Government's argument on this point is false for three reasons. First, I point out the simple practical fact that the Metropolitan police themselves are running an inquiry concurrent with a police investigation. They have an inquiry into the handling of the case, which is due to report in a week.

However, the more important point is that the Government are wrong to claim that the work of the Committee would prejudice the police inquiry, because the two will be looking into completely different issues. The investigation of the source of the leaks and whether

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any action should be taken against a civil servant or against a Member is a different issue from the investigation of the rights of MPs over information and resources in their parliamentary offices, the identification of what is needed to do their job, and the consideration of the meaning of parliamentary privilege.

Mr. Henry Bellingham (North-West Norfolk) (Con): On that point—

Mrs. May: I am conscious that a large number of Members want to speak in the debate, so I wish to make progress.

Either the Leader of the House is unable to understand the distinction that I have outlined, or she understands it but chooses to ignore it because it is inconvenient for the Government. I refer to the point made by my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) in his intervention on the Leader of the House. Should it not be for the Committee to decide what it does and when? Its hands should not be tied by the House. If the police were concerned that the Committee's work prejudiced their inquiry, it would be for them to go to the Committee to explain, and for the Committee to decide whether to continue, just as has been mentioned in relation to decisions taken by the Public Administration Committee. I therefore believe that there is no reason why the House cannot undertake the necessary inquiry without prejudicing the police investigation.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Does the right hon. Lady agree that it seems rather strange that we should be discussing the whole idea of prejudicing the inquiry, given that the Government tried to force through the 42-day measure on the premise that we were all going to discuss issues to do with individuals?

Mrs. May: The hon. Gentleman has made an interesting intervention.

I now move on to the issue of why the inquiry needs to be held now. That is because we need to clarify the meaning of parliamentary privilege, who can and cannot grant access to an MP's office and effects and—crucially—where constituents stand on the information given to their Member of Parliament in the expectation of confidentiality. Those questions need to be resolved; they cannot be left hanging in the air until the Government deem it convenient to have a debate.

In business questions last week, the Leader of the House referred to her four principles on parliamentary privilege; she has referred to them again today. I have to say to her that the four principles that she set out in the piece of paper attached to the note that tried to set up a meeting between her, Government Ministers and Officers of the House last week were not actually about parliamentary privilege—they are general principles. However, the Leader of the House has challenged us to agree with them, so I will take each one in turn.

I agree that MPs must be able to do their work, that the Opposition must be able to hold the Government to account and that the law and processes must support that—but where was that principle when police seized material from the office of my hon. Friend the Member for Ashford? I agree that MPs are not above the law, but no one has ever suggested that they are. I agree that no one should seek to undermine the impartiality and professionalism of the civil service or the operation of the civil service code, but where was that principle when Alastair Campbell was given authority over civil servants? I agree that no one should seek to undermine the operational independence of the police, but there is a difference between operational independence and proper accountability.

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): Will the right hon. Lady give way?

Mrs. May: No. I am not going to give way any more.

Last week, the Leader of the House implied that operational independence for the police meant that politicians could not direct them in their actions. I am not suggesting that they be directed. But they will not think any the worse of a Home Secretary who asks them awkward questions about what they are doing—questions such as, "Is that a proportionate response?", "Have you consulted the Director of Public Prosecutions?" and "Have you applied for a warrant?" Asking such questions is not improper interference with the operational independence of the police, but the proper exercise of scrutiny by the person responsible to the public for ensuring that the police are doing their job and keeping within the law in doing so.

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab) *rose—*

Mrs. May: No. I am not going to give way any more.

Mr. Speaker, I set out earlier why I believe that the Government's motion does not meet the requirements set out in your statement last week. The amendment in the name of the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), which is signed by a number of my hon. Friends and other hon. Members, addresses those issues and clearly sets out a proposal that I believe meets Mr. Speaker's statement. For that reason, I will support that amendment if it is moved, and I urge other hon. Members to do so.

As it has been proposed by the Government, the Committee would be stymied in its remit, packed with a Government majority and silenced when it was needed most. I urge hon. Members to reject the Government's motion and treat it with the degree of contempt with which the Government have treated the House.

3.53 pm

Frank Dobson (Holborn and St. Pancras) (Lab): The situation that we are debating today is serious, and the issues that it raises need to be seriously addressed. If we want parliamentary privilege to be taken seriously by others, we need to address the problems that this case has thrown up. We will not do that if we pursue the course of action taken by Tory Front Benchers—to sidetrack all the debate into scapegoating, finger pointing and blame. The truth is that what happened does not reflect much credit on most of those involved. I suspect that most of them are now feeling, "If only I'd thought that at the time, I would have done something different." However, that does not mean that we will get anywhere

by singling out any particular individual for blame. The whole set-up in this place is at fault. We are responsible for the set-up, and therefore responsible for the faults.

After the Home Secretary, rightly, got sick and tired of persistent leaks from her private office, she asked for a leak inquiry. Cabinet Office officials rightly set up such an inquiry, and then called in the police. There are clearly plenty of precedents for that.

Mr. John Redwood (Wokingham) (Con): Will the right hon. Gentleman give way?

Frank Dobson: No, I shall not.

The police proceeded with their investigation and arrested a civil servant, who has made it clear that he was the source of the leaks. That took them to the hon. Member for Ashford (Damian Green), who has never denied that he had a sort of standing order with this civil servant to get a continuing—

Damian Green (Ashford) (Con): The Leader of the House suggested that nobody should say anything prejudicial in this case. May I recommend to the right hon. Gentleman that he heed her words, because he has gone way over the line in what he has just said?

Frank Dobson *rose—*

Hon. Members: Withdraw!

Mr. Speaker: Order. Let the right hon. Gentleman speak.

Frank Dobson: I have seen the legal representative of the civil servant on television, and his lawyer in effect admitting it, and I understand from what has been said on behalf of the hon. Member for Ashford that he admits that this young man had tried to get a job with him, that he had supplied him with information, and that he had met him several times. I do not know what I am supposed to withdraw. The hon. Gentleman—[Hon. Members: "Withdraw!"]

Mr. Speaker: Order. I ask again that hon. Members allow the right hon. Gentleman to speak.

Mr. Bernard Jenkin (North Essex) (Con): On a point of order, Mr. Speaker. If a right hon. or hon. Member were going to make an attack of a personal nature on another right hon. or hon. Member, it would be in order for him to notify that Member in advance. No such notice has been given.

Mr. Speaker: The hon. Gentleman concerned is clearly in the House and has an opportunity to rebut the matter, which he has been able to do. The right hon. Gentleman's speech is in order.

Frank Dobson: I go on to say, then—I hope that the hon. Member for Ashford will agree with me—that I am astonished that the police chose to arrest him in these circumstances. I cannot understand why they did not question him or, if they wanted to take it one step further, question him under caution. The police seem these days to be a bit arrest-happy with quite a lot of people, including members of the Labour party and Labour Members in the House of Lords.

The police then wanted to search the MP's home and his constituency office. I wonder whether they asked him if it would be okay to do so or just proceeded to a warrant. They then decided that they wanted to search his House of Commons office. I do not know whether they asked his permission—in quite recent times Labour Members have given their permission to police who wanted to search their offices—but it appears that they did not and that they did not get a warrant.

Mr. Brian Binley (Northampton, South) (Con): I think that the right hon. Gentleman will know that my predecessor was treated by the police in exactly the way that he is explaining. First, he was asked whether he wished to meet them to discuss a matter that was of national security level. Secondly, he was asked to come to the police station if he wished to discuss that matter. Thirdly, he was asked if he minded if his office was searched. Will the right hon. Gentleman tell me why he thinks that the process this time was so different from that of 2004?

Frank Dobson: I have already said that I am surprised that the procedure was different in the case of the hon. Member for Ashford.

The police then approached the Serjeant at Arms. I point out to everybody, including commentators outside this place, that the Serjeant at Arms is responsible for the safety and security of Members of this House, and that the mainstay of that safety and security is the Metropolitan police. She therefore has frequent meetings with the Metropolitan police—specifically, the people who used to be the special branch, and are now the anti-terrorism unit. She discusses our safety and the deployment of the police, including armed police, in this place. She is out there to protect us.

Martin Horwood (Cheltenham) (LD): Will the right hon. Gentleman give way?

Frank Dobson: No. I have given way already.

It has to be said that the Serjeant at Arms is unlikely to see the Metropolitan police as jackbooted storm-troopers of the police state; she sees them as working colleagues. They may very well have exploited that in their relations with her by not making clear that she was entitled to ask them for a warrant. The police got the consent of the Serjeant at Arms, and went to the offices of the hon. Member for Ashford, where they were challenged by a representative of the Leader of the Opposition, who again, does not seem to have asked whether they had a warrant. The whole situation is a mess, and we are responsible for it.

Contrary to a lot of the media coverage that seems to suggest that the Speaker makes the rules, the Speaker does not make the rules—we make them, and the Speaker is there to carry them out. The big problem is that the rules are not clear. We all agree that there is something called parliamentary privilege, but hardly anybody agrees exactly what it amounts to. It is apparent from reading articles by apparently learned academics in the news media that they do not agree either on the boundaries of our parliamentary privilege.

If we are serious about parliamentary privilege, we need to clarify what we mean by it. We should turn it into statute law to show that we take it seriously and

[Frank Dobson]

that anyone who breaches it will be dealt with seriously. I would also include in such a law the Wilson doctrine that prohibits our phones being tapped. It was not very long ago that the previous Prime Minister was going to undermine that doctrine, and he was only prevented from doing so by a Cabinet revolt. Conventions should not be set aside at the behest of a Prime Minister or any individual, which is why we need to shift the rules on parliamentary privilege to statute law.

Mr. Bellingham: Will the right hon. Gentleman give way?

Frank Dobson: No.

Once we have done that, and only after we have done that, the Speaker, the Clerk of the Commons and the Serjeant at Arms can work out clear procedures for following the rules that we have laid down. Once we have made the rules clear, we will be entitled in conscience to complain if those rules are not followed, but as we do not have a clear definition of parliamentary privilege or a clear explanation of what will be done when parliamentary privilege is threatened, we had better keep quiet until we have done our job, and we should stop criticising the people who have tried to do theirs.

Mr. Tom Harris (Glasgow, South) (Lab): On a point of order, Mr. Speaker. Today I returned to my office in the House of Commons, on the Upper Committee corridor, after an absence of some days. I found a letter sitting on my computer keyboard, in my office that had been locked. It is from the hon. Member for South Norfolk (Mr. Bacon), it is politically partial, it parrots the Conservative line on the matters before the House today and it contains implicit criticism of Ministers, the House authorities, the police and yourself, Mr. Speaker.

Given the subject of today's debate, I hope that the House will understand that I have some concerns about returning to my office, and opening the door with my key to find such a letter sitting on my computer keyboard. I do not wish to accuse anyone. I would not want to end up with egg on my face—or indeed, bacon—but I would like to ask you, Mr. Speaker, whether it was a House official or a Conservative party researcher who left the letter on my computer, or whether it was something far more innocent. Given the debate, I have every reason to ask how it got into my office.

Mr. Speaker: I will look into the matter.

4.4 pm

Simon Hughes (North Southwark and Bermondsey) (LD): This debate is about an important matter for the House, as everybody acknowledges, hence the large turnout. That is not because we are precious about our rights and liberties for ourselves, but because we hold them on trust for our constituents, as we have all agreed.

Today, the Leader of the House has come—I have to say this to her—arrogantly and disrespectfully to seek to change what you, Mr. Speaker, asked the House to do in the interests of Parliament, to what she wants the House to do in the interests of the Government. That is not the job of the Leader of the House. She could have tabled the motion without realising the implications and how much it deviated from your wish, but that is unlikely. If it was not unlikely when she tabled the motion last Thursday and then re-tabled it, it must be unlikely today.

You have indicated, Mr. Speaker, that you have selected all the amendments tabled, including the amendment that my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell) has tabled, which is not on today's Order Paper and which is available outside. I wonder whether, perhaps at the end of my speech, you might arrange for that amendment to be passed round, as statements are, so that everybody has it before them.

Mr. Speaker: Order. The amendment is on the Order Paper now.

Simon Hughes: One of the things that I think all colleagues point out when we show friends and visitors around the House of Commons is the picture of Speaker Lenthall, one of your predecessors, Mr. Speaker, robustly standing up to the people whom King Charles I sent here in 1642 to arrest colleagues. The colleagues were not here—the birds had flown. Of course, it is not quite the same when police officers come to the door, but the issue is the same: does this place have a right to protect its activities and what are those rights?

Your great city, Mr. Speaker, and this great city have many citizens who understand the law very well. If the police knocked on the door of one of my constituents in Southwark or Bermondsey, everybody inside would know two basic things. First, they do not have to let the police in unless they have a warrant. Secondly, that applies not only in respect of a warrant for the person in question, but if the police are looking for somebody upstairs.

By your statement's admission and by the helpful protocol that you have issued today, Mr. Speaker, you have accepted that something went badly wrong in the House of Commons on 27 November. For whatever reason, the authorities did not, as it were, stand up to the police investigation as they should have. You asked us to set up a group of senior colleagues as quickly as possible, to find out what went wrong and to make recommendations. That is what we want to do. Some of us believe that the issue is important enough to allow the colleagues whom you choose from across the parties in the House, with the experience in the House and with the House's rights and privileges, to get on with that job now and not to wait for weeks, months or years, which is potentially the implication of the Leader of the House's motion today.

Sir Nicholas Winterton (Macclesfield) (Con): Although I entirely agree with everything that the hon. Gentleman has said, does he not believe that the House is entitled to know from whom legal advice was requested before the police were allowed to invade the office of my hon. Friend the Member for Ashford (Damian Green)? That is a basic question, the answer to which we should be entitled to know in this debate.

Simon Hughes: I would say the following to the hon. Gentleman. You have made it clear, Mr. Speaker, that various people have responsibility for these issues: yourself, the Serjeant at Arms, in some respects the Leader of the House, the Clerk of the House and those who advise

them—Mr. Speaker has counsel and there are Law Officers who are available to be consulted. The hon. Gentleman raises questions that should be answered. If they cannot be answered today, potentially because nobody who can speak in this debate knows the answers, they could be answered quickly and with no prejudice to any inquiry about the hon. Member for Ashford or anybody else.

Sir Alan Beith (Berwick-upon-Tweed) (LD) *rose—*

Simon Hughes: Just before I give way to my right hon. Friend, I should say that you have been very clear, Mr. Speaker, that there are times when we cannot discuss matters before the courts because they are sub judice, but that does not apply if nobody has been charged. It is very clear that we are able to have that debate—albeit subject, of course, to proper wisdom and guidance on what is right and wrong, what might be a matter of prejudice, and so forth.

Sir Alan Beith: I put it to my hon. Friend that there is an even more compelling reason for urgency. When I asked the Prime Minister last Wednesday whether he supported Mr. Speaker's decision as set out in his statement—that the police would not be admitted without a warrant—the Prime Minister said that he was waiting for the results of the inquiry. If that is the case—it does not seem to have been embodied in the words used by the Leader of the House, but this was the Prime Minister speaking—Mr. Speaker's decision does not have the support of the Government until the Committee has been able to inquire into these matters, which the motion does not allow until the police inquiries are over.

Simon Hughes: Let me deal specifically with my right hon. Friend's absolutely accurate point. The motion in the name of the Leader of the House is, in case anyone is in any doubt, extraordinary in that respect, as it says

"That the committee must not in any way prejudice any police inquiry or potential criminal proceedings"—

of course, we are all agreed on that—

"and that therefore it will be adjourned immediately after choosing a chairman until the completion of any relevant inquiry or proceedings that may follow".

The Leader of the House knows perfectly well what "any relevant inquiry" means; the meaning is clear and it could be weeks, months or years. She knows that. Things might not just be thrown into long grass; they could be put off until the other side of the next general election. This is a ridiculous proposal.

The hon. Member for Cannock Chase (Dr. Wright), who chairs the Public Administration Committee with great respect and authority, referred to what you, Mr. Speaker, wanted us to do and to what the amendment wants us to do, which is to give the Committee appointed by Mr. Speaker the right to take its own advice and to follow it. If we are talking about senior and experienced colleagues, it is beyond comprehension that they will be unable to take advice, follow it and act appropriately.

Several hon. Members *rose—*

Simon Hughes: It is completely wrong for the Leader of the House to seek to tie the hands of the House and this Committee for an indefinite period; she knows the implications of that, and it is absolutely not honouring what you, Mr. Speaker, asked us to do last week.

Norman Lamb (North Norfolk) (LD) *rose—*

Mr. MacShane *rose—*

Simon Hughes: I give way to my hon. Friend.

Norman Lamb: Is it not also unfair on individuals such as the Serjeant at Arms and the Clerk for these matters to be left hanging in the air unanswered? Is it not in their interest that legal advice be made available so that everyone can see straight away exactly what happened and how those decisions were made?

Simon Hughes: That is a good argument, demonstrating exactly how we should proceed.

I said last week that I hoped Members across the House had affection and respect for you and your post, Mr. Speaker, just as much as they do for the Serjeant at Arms and others, but it is quite wrong to leave this matter in the air. My hon. Friend the Member for North Norfolk (Norman Lamb) is absolutely right that we need to resolve this matter. If a Committee is set up this week as appointed by you, Sir, it can start work this week and do so because it understands the rights and interests of the individuals concerned.

Several hon. Members *rose—*

Simon Hughes: I will give way only one more time and then I am going to finish, as many other colleagues wish to speak.

Mr. MacShane: Will the hon. Gentleman clarify whether he as Front-Bench spokesman for the Liberal Democrats shares the position advanced from further down the Opposition Benches, which I found absolutely extraordinary, that if the relevant amendment were adopted tonight, this Committee should meet in secret?

Simon Hughes: Let me make it clear that the amendments that we are talking about—amendments (b), (c) and (d) are not in the names of any Front Bencher of any political party. The amendment that I am speaking to is supported by Back Benchers of the three major parties. I should hope that that would give it some authority, although senior colleagues in all the parties are also involved, which I hope provides even more authority. People with great experience of the House and of the relevant issues are also involved. I support that, which is why my hon. Friends and I will support the amendments at the end of the day. *[Interruption.]* As to the secrecy issue, that is a matter for the Committee, as the right hon. Member for Maidenhead (Mrs. May) said. Committees of this House, including a Committee appointed by Mr. Speaker, would take the decision. The instinct would not be to meet in secret, of course, but the Intelligence and Security Committee, for example, meets in secret. Clerks are here, and people to advise us, and it is nonsense to imagine that seven senior colleagues cannot get on with the job and deal immediately with those matters that can be so dealt with, and matters that become sub judice—

Mr. MacShane: Secrecy?

Simon Hughes: I have dealt with secrecy. The answer is that all Committees have the power to meet in secret for some of the time. Nobody—including the right hon. Member for Maidenhead—has suggested that the

[Simon Hughes]

Committee should meet in secret all the time. If we are holding the police to account, we will want them to put their argument in public, because some of us believe that they might not have acted appropriately either. They are not above the law, just as we are not, but the activities, communications and possessions of those elected to represent the citizens of Britain need to be protected.

Richard Younger-Ross (Teignbridge) (LD): Will my hon. Friend give way?

Simon Hughes: No, I must make progress.

None of us wants to send out the message that there is never a time or place for the police to come into this building and carry out their activities. That is not our argument. However, you, Mr. Speaker, above all, are the guardian of processes and procedures, which safeguard people's rights and liberties. Whether it is the European convention on human rights, which some people support, or the traditional rights and liberties, they are governed by process as well as substance. Process matters, and it seems to many of us that the process failed.

The Government have done some good things—and have understood, at some stage, how to defend the rights and liberties of the public—but their regular fault is not being able to let go of power being transferred to Parliament. They persistently seek to manipulate what might be the broader interests of Parliament. The other day, in relation to Select Committees, which could have been more representative of the regions of England, they insisted that the Government had to have their majority and their way. I hope that Labour Back Benchers—I listened to the speech of the right hon. Member for Holborn and St. Pancras (Frank Dobson)—realise that the question is whether we stand up for Parliament and the right of the Speaker of the House of Commons to have people deliberating independently of Government influence, or give in yet again to the Government having their way over all our procedures. We were elected to stand for the independence of this place. I hope that colleagues on both sides of the Chamber will support the amendment and say to the Government, "I'm afraid that this is not your business. Hands off."

4.18 pm

Sir Gerald Kaufman (Manchester, Gorton) (Lab): After a chance conversation last week with a respected Conservative Member of the House, I have followed this issue with special care. After studying what I believe to be all relevant material, I have concluded that both the motion and the controversy are unnecessary, and that the motion is a waste of the House's time.

The situation is as follows. A civil servant, Christopher Galley, has been arrested for persistent leaking of information from the Home Office. He has admitted that on television, and says that what he did was the right thing to do. The shadow Home Secretary has accepted what Mr. Galley says, and says that he should be dismissed from his post. But part of what Mr. Galley did was to communicate information to the hon. Member for Ashford (Damian Green), and it was on that basis that the police arrested him. As far as I can tell, the right hon. Member for Maidenhead (Mrs. May) said—I quote her words this afternoon—that, within that situation, the hon. Member for Ashford was "doing his job". Therefore, many of the allegations that have been made about the situation seem to have been accepted on all sides. It is a question of what is done as a result of them.

Martin Horwood: Will the right hon. Gentleman give way?

Sir Gerald Kaufman: Will the hon. Gentleman allow me to continue for a moment?

If it is true that the civil servant did that—as he said that he did, as the right hon. Member for Maidenhead said that he did, and as the shadow Home Secretary said that he did—it was incumbent on the police to arrest Christopher Galley, and there is a case—

Several hon. Members *rose—*

Sir Gerald Kaufman: May I be allowed to develop my argument? There is consequently a case for the police having arrested the hon. Member for Ashford. The hon. Gentleman's party, and sections of the press, have caused a ludicrous furore about this arrest and its consequences—

Mr. Grieve: Will the right hon. Gentleman give way?

Sir Gerald Kaufman: I will certainly give way to the hon. and learned Gentleman in a moment.

The hon. Gentleman's party and sections of the press seem to be seeking to create a new privilege for Members of Parliament, which has never existed before and ought not to exist now—namely that it is in some way a breach of parliamentary privilege for the police to search the office of a Member of Parliament without a warrant, and that a Member of Parliament's correspondence with his or her constituents has some special privilege which the police have violated. All that is nonsense.

Several hon. Members *rose—*

Sir Gerald Kaufman: I will give way to the shadow Home Secretary.

Mr. Grieve: I am grateful to the right hon. Gentleman.

Since the passage of the Official Secrets Act 1989, the leaking of material not concerning national security has ceased to be a criminal offence. On what basis, therefore, is a civil servant arrested for that, and on what conceivable basis is my hon. Friend the Member for Ashford (Damian Green) arrested? If the right hon. Gentleman starts by asking himself that question—which relates to a gift to civil liberty from the last Conservative Government—he will start to conclude very quickly that the basis for the police's erupting into this place and searching a Member of Parliament's offices is shaky in the extreme. That is why he should be very concerned about what has happened, particularly because all the normal processes and protections that should have operated—including the consulting of the Director of Public Prosecutions—never occurred.

Sir Gerald Kaufman: What puzzles me, in view of that bout of rodomontade from the hon. and learned Gentleman, is why he says that Christopher Galley should be sacked, because Christopher Galley appears to have been doing something which is hugely praiseworthy.

Mr. Grieve *rose—*

Sir Gerald Kaufman: No, I will not give way again at this stage. I shall see whether I have more time later. What I want to say is this—

Rob Marris (Wolverhampton, South-West) (Lab): On this very issue, may I say to my right hon. Friend—

Mr. Grieve: On a point of order, Mr. Speaker. I did not say that Christopher Galley should be sacked; I said that—

Mr. Speaker: Order. That is not a point of order; it is a matter for debate.

Sir Gerald Kaufman: The hon. and learned Gentleman has been widely quoted by the press as having said that the man should be sacked—*[Interruption.]* He was quoted by the Tory press, and I see no reason for that denial.

All the parliamentary documents that I have been able to examine, including "Erskine May" and Standing Orders, contain nothing relevant to this controversy, and confirm no privilege of any kind in such circumstances. The nearest we can come to anything relevant to this huge unwarranted fuss is contained in the excellent briefing for this debate prepared by the House of Commons Library. A statement by one Professor Bradley—

Martin Horwood: Will the right hon. Gentleman give way?

Sir Gerald Kaufman: I will see how the timing goes.

Professor Bradley, professor of constitutional law at Edinburgh university, says that there is, effectively, protection for MPs' correspondence in certain circumstances, but this is no more than a common-law right based on case law. In fact, the police had a perfect right to search the hon. Gentleman's correspondence without a warrant, and indeed without anyone's permission.

The shadow Home Secretary spoke of a statute that was "a gift from the Conservative party". Let me quote from another statute that was a gift from the Conservative party, the Police and Criminal Evidence Act 1984. Section 18(1) states that, following arrest,

"a constable may enter and search any premises occupied or controlled by a person who is under arrest for an arrestable offence, if he has reasonable grounds for suspecting"—*[Interruption.]*

This is a Tory law. Let me continue.

Several hon. Members *rose—*

Sir Gerald Kaufman: Let me finish my sentence, for God's sake.

A person

"who is under arrest for an arrestable offence, if"—

Let me finish this sentence. *[Interruption.]* It continues that the constable may enter and search any premises if

"he has reasonable grounds for suspecting that there is on the premises"—*[Interruption.]*

Mr. Speaker: Order. I ask Members to allow the right hon. Gentleman to speak.

Sir Gerald Kaufman: The sentence continues:

"that there is on the premises evidence, other than items subject to legal privilege,"

relating to their offence or

"some other arrestable offence which is connected with...that offence"

or some other offence. That is a Tory law saying that once somebody has been arrested their premises can be searched without a warrant.

Several hon. Members *rose—*

Sir Gerald Kaufman: May I proceed for a moment?

The police did what they had a perfect right to do under a statute passed by the very party that is trying to con us all into believing that some impropriety has been committed when no impropriety has been committed by anyone, either in the police or with responsibilities in this House. Yes, both Mr. Speaker and the Serjeant at Arms have behaved with perfect propriety in this matter, and it is a scandal that they are being reviled. In particular, those who have always hated—

Several hon. Members *rose—*

Sir Gerald Kaufman: No, I will not give way, as I have only two minutes left. Those who have always hated the idea of the current Speaker occupying the Chair of this House have abused this situation to seek further to undermine him.

What I say to the House of Commons is this: the Tory party has created a bogus controversy about the abuse of privileges that do not exist and the need for a warrant that is not required. We are wasting this afternoon when it could have been used for this House to debate serious and relevant issues about which our constituents care deeply. They do not care in the slightest—*[Interruption.]* These interruptions show what the Tories believe about whistleblowing and free speech. They do not care about free speech. They want to divert the electorate's attention from the real issues to this bogus issue of what the hon. Member for Ashford did or did not do, about which, frankly, our constituents do not give a damn.

4.27 pm

Sir Menzies Campbell (North-East Fife) (LD): I am grateful to see that amendment (c) stands not only in my name, but in the names of Members from all parts of the House.

I wish it had not been necessary to table this amendment. It is not just the recollection of the precise language that you, Mr. Speaker, used last Wednesday, but our recollection of the spirit in which your suggestion was received, that makes me believe that the motion before us does not properly reflect what you intended or what the House believed to be right.

I think we can agree that we are in unique and disturbing circumstances. Earlier, some Members were rather dismissive of the importance of the issues we are discussing, pointing to our overwhelming obligation to represent our constituents on issues such as economics and council housing, but I firmly believe the matters we are discussing are precisely what give us the power and the influence to deal with issues such as economics, council housing and the like. Our responsibilities involve both the scrutiny of Government and the redress of grievance. If we cannot be confident that our communications with our constituents are confidential, there is necessarily an inhibition in our ability to fulfil those responsibilities.

[Sir Menzies Campbell]

There has been much discussion about the operational independence of the police, but that cannot be interpreted as being a shield against accountability. The police are accountable for their actions to the Home Secretary, and the Home Secretary is, in turn, accountable to this House of Commons. It is also said—I have said it myself—that we are not above the law, but that does not mean that we can be subject to illegality. It does not mean that we can be treated differently from other citizens. Equality before the law is a matter not only of responsibility, but of right, duty and privilege.

It is profoundly disappointing that the motion does not meet what is required. The remit is far too narrow—this House is surely entitled to investigate the whole circumstances surrounding this unfortunate affair. The time scale it sets out is risible; can one imagine what the public's response will be when we tell them that this important Committee, which is made up of seven wise men and women, has met and appointed a Chairman, but has then adjourned indefinitely? That is a real indication of hands-on government; we will be laughed out of court if that is how we proceed, but that is what the motion will impose upon us.

If the Committee chooses to sit in private, it will do so in exercise of its judgment. The whole point about your being encouraged—permitted, if you like—to pick seven experienced Members of the House, Mr. Speaker, is that they will have exactly the judgment and experience to know when it is necessary to meet in private. The amendment asserts that the Committee would be subject to our normal rule of sub judice.

The motion's third defect is that it would restrict your discretion, Mr Speaker. What is the point of that? Why do the Government believe that they must have a majority in this matter? I never thought I would hear myself make this next point. When Opposition Members get concerned about civil liberties, the often repeated remark we hear is, "If you have nothing to hide, you have nothing to fear." If the Government have nothing to hide, they have nothing to fear from seven independent Members of Parliament chosen by you, Mr. Speaker.

In this matter, the Leader of the House has special responsibilities. She is a Government Minister, but she also has responsibilities to the House, so I ask her to reflect on something. It is generally accepted that John Biffen and Robin Cook, both, sadly, no longer with us, were the epitome—the best examples—of Leader of the House in recent times. What would John Biffen and Robin Cook have done in similar circumstances? I believe that they would have asserted the independence of this House of Commons.

This motion's purpose is to deal not only with the issues of remit, membership and the ludicrous imposition in relation to time, but to provide Members of this House of Commons with an opportunity to assert their independence and that of the House. They could, as an alternative, subordinate themselves to the Government, but we will give them the opportunity to vote for independence.

4.33 pm

Andrew Mackinlay (Thurrock) (Lab): I shall not be giving way, because of the time constraints. I wish to kick off with some slightly controversial comments. First, I challenge people to reflect on the fact that if this had happened in Moscow or Minsk, there would have been one hell of a row and the British ambassadors would have been making representations. Secondly, leaks are food and drink to me as a Back-Bench Member of Parliament, and I do not want to stop them coming to me—I do not say that in a flip way, because it is very important. My only flip point is to ask people to send me this information on rice paper, so that I can eat it before the police get it. I am open all hours to leaks.

This is a serious matter. We need to support and endorse the office of Speaker, and ensure that it is properly facilitated over the next 10 or 20 years, because as part of the increasingly political role of the Speaker—it is not party political, but it is political—he or she must safeguard the rights and interests of this House and, I believe, of our democracy. I urge hon. Members to read the Speaker's document that has been handed round, because the protocols set out new modalities for dealing with what are the ancient rights and duties of the Speaker to protect our interest. I commend it to the House. Some aspects may be new, but the principle is that the Speaker is the safeguard in respect of two things—first, the rights and independence of the House of Commons, and second, the idea that Members are not above the law. When I criticised something that a colleague—he is no longer in his place—had said earlier, he said, "Well, what about paedophilia?" I said that if an hon. Member were guilty of a serious crime, such as pushing drugs or being a member of the Mafia, the Speaker could take cognisance of a legitimate representation made to him by law enforcement officers and would say, "Yes, of course you must proceed forthwith." The role of the Speaker is to be a safeguard, and that is what we must ensure. Let us kill the lie now: no one is asking for special privileges for Members of Parliament. We want any bad Member to be prosecuted with vigour, but we need to safeguard people from arbitrary action by the executive arm of Government.

I remember people laughing at me when I protested when we did away with Sessional Orders. That was treated with levity by Members, but those Sessional Orders reaffirmed the point that people must not interfere with this place. I hope that the House returns to the proposals made in 1999 that people who give evidence to this House and its Committees should not be influenced or leaned on by anyone else and should tell the truth, the whole truth and nothing but the truth, as happens in the Congress of the United States.

The Bill of Rights, which too few Members have studied, makes it clear that this place has comity with the courts. That is a very important principle. What is more, the logical interpretation of article 9, which says that no court shall be able to look into the deliberations of this House, must extend to our documents. In 1689, Members of Parliament did not have the same volume of documents or technology as we have now. As my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson) said, we should think about putting that protection into statute.

On 4 December, the Home Secretary read out in good faith what she understood to be the reasons for the arrest of the hon. Member for Ashford (Damian Green). He got up and said that those were not the reasons why he was arrested, and that he had the document giving those reasons, given to him by

the Metropolitan police. The Home Secretary said that that was what she had been told by the police. What a cavalier approach from the police, in their disregard of Parliament and of the Home Secretary. I find it breathtaking that she did not think that she should be indignant about that. She got it wrong, through no fault of her own, but because of the complacent arrogance of the Metropolitan police.

Mr. Gordon Prentice: Will my Friend give way?

Andrew Mackinlay: I shall make an exception for my hon. Friend.

Mr. Prentice: The Metropolitan police told the Home Secretary, in a letter dated 3 December, that a warrant is not needed to search a parliamentary office. We now have the Speaker's protocol, which says that in cases of the police wishing to search in Parliament, a warrant must be obtained. How does my Friend square those two statements?

Andrew Mackinlay: Mr. Speaker is correct, and he has reaffirmed what must always have been the norm. He has restated the modalities and what will happen from now on—perhaps he should paint that on the eyelids of the Metropolitan police.

I support the amendments because of the need for urgency. I understand that the policeman in charge of this is called Quick. Well, I predict that there will never be a slower man. We need only look at the case of my right hon. Friend the Member for Neath (Mr. Hain). It took 14 or 15 months before he was told that there was no case against him. We all knew that, but it was dragged out, and these blighters will drag this case out too. They know that they can kick it into touch until after the next general election. In any event, I am absolutely certain that the hon. Member for Ashford will not be charged. I come back to article 9 of the Bill of Rights. It will be impossible for a prosecutor or defence counsel to deal with the matter without referring to intent. If individuals have certain information, it relates to their work as a Member of Parliament or to their deliberations in Parliament, so the case will not go anywhere. I know that, and the police know that, but they are failing to recognise that they have bitten off more than they can chew and that they have trespassed on our rights and independence.

It was put out that this was a matter of national security. Of course, it is not—everyone knows that—because if it was, there would be action under the Official Secrets Act. Under the clerkship of Mr. Bill McKay, there was an attempt by the Ministry of Defence police to come in here and get one of our Committee Clerks, who had received some unsolicited secret information. Mr. Bill McKay saw to it that it was made quite clear to the police how far they could go. I understand that our Clerk was questioned under caution. That was the end of the matter—they backed off—but they have tried it before and it is time that we asserted and reaffirmed our rights and duties.

I was very grateful when Roger Sands, the previous Clerk, made the importance of article 9 quite clear to Lord Justice Hutton. To Lord Justice Hutton's credit, he acknowledged those rights and acknowledged that in his inquiry he could not trespass on the proceedings of Parliament. That was an important acknowledgment, generously given by the courts. They understand article 9, but the problem is that too many hon. Members do not understand the importance of article 9 and the Bill of Rights. We fought civil wars to create it and overturned a king. King Billy was not all bad; he had some redeeming features, and they need to be reaffirmed today.

I urge hon. Members to stand up for Parliament, to support the amendments and to ensure that full exposure and examination is given to the tawdry events of last week.

4.41 pm

Mr. Michael Howard (Folkestone and Hythe) (Con): It is a privilege to follow the hon. Member for Thurrock (Andrew Mackinlay), and I entirely endorse what he said.

I hope to be brief and I want to make just two points. First, I endorse what was said by my right hon. Friend the shadow Leader of the House, by the hon. Member for North Southwark and Bermondsey (Simon Hughes) and most eloquently by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) about the differences between what Mr. Speaker said on Wednesday and what the Government motion provides for today. I do not need to go through the differences.

The Government are inviting the House to overrule Mr. Speaker. That is the long and the short of it. What Mr. Speaker said on Wednesday about the terms of reference of the inquiry, its composition and its length was right, whereas the provisions of the Government motion are wrong. They seek to overrule Mr. Speaker, and I cannot recall an occasion when the independence of the Speaker and the independence of this House have been drawn into sharper focus. The House has an opportunity this afternoon to stand up for its liberties and independence. I hope that it will do so by voting for the amendment proposed by the right hon. and learned Member for North-East Fife.

My second point is that in his statement to the London Assembly last Wednesday, acting commissioner Sir Paul Stephenson said that the Metropolitan Police Service was called in by the Cabinet Office

"to investigate suspected criminal offences in relation to a substantial series of leaks from the Home Office potentially involving national security and the impeding of the efficient and effective conduct of government."

I particularly want to draw the House's attention to that last phrase. So far as I am aware, it has never been a criminal offence to impede the efficient and effective conduct of government and nor should it be. I do not think that the police should have been called in to investigate on that basis, and they should not have agreed to do so.

I have written to Mr. Ian Johnston, the chief constable of the British Transport police who is carrying out an inquiry into the police's handling of the matter, and asked him to consider this point in his inquiry. I have written to the Minister in charge at the Cabinet Office to ask who in the Cabinet Office called in the police on that extraordinary basis and whether the Minister authorised or knew of that action.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): I do not want to distract my right hon. and learned Friend, but he has just made a point that is

[Mr. Iain Duncan Smith]

worth dwelling on for a second. He reminds us that the police themselves have started an inquiry. How is it that the House of Commons will not be allowed to inquire, because of a mistaken view of what is sub judice, yet at the same time the police can inquire into their actions without fear or favour?

Mr. Howard: My right hon. Friend makes an excellent point to which there is no answer.

What has happened over the past 10 days or so diminishes our democracy and the rights not of ourselves as Members of the House, but of our constituents who send us here.

Clive Efford *rose—*

Mr. Howard: I will give way to the hon. Gentleman before I come to the end of my remarks.

Clive Efford: I am grateful to the right hon. and learned Gentleman for giving way, although usually Members resume their seat when another Member speaks—he has been here long enough to know that. [HON. MEMBERS: "Get on with it."] Excuse me.

If the principles that the right hon. and learned Gentleman has just applied to the leaking of information had applied when Sarah Tisdall and Clive Ponting were prosecuted, does he believe that those prosecutions would have gone ahead?

Mr. Howard: I am afraid that, as was only to be expected, the hon. Gentleman fails to understand the difference between the Official Secrets Act and what is under discussion in relation to my hon. Friend the Member for Ashford.

For the reasons given earlier in the debate, we need the Committee that Mr. Speaker proposed last Wednesday, not the feeble substitute for it that the Government are offering us today. That is why I urge Members to vote for the amendment proposed by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell).

4.46 pm

Mr. Frank Field (Birkenhead) (Lab): I am pleased to follow the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) and I promise to be even briefer than he was. I rise to support the motion tabled by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) for two reasons.

I do not think that the initial stages of the debate went as well as they should have done. We hope that our constituents have some interest in what we do in this place, but they would have found it impossible to understand the first three quarters of an hour of our deliberations. It was wholly proper for the Government to put a time limit on the debate and we should have accepted it and got on with the debate.

A consensus is emerging from the debate and I hope that my right hon. and learned Friend the Leader of the House is listening to it. If she responds to it, we may all come out of the debate with real credit. As my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson) pointed out, one of the problems is that many of our constituents, and at least some of us, are confused about what our privileges are and why we have them. It would not only be useful for them to be set out again but, as the shadow Leader of the House said, it might be good to see whether we should move to a statutory basis for those privileges. Their purpose is not to boost us and our egos but—we hope—to allow us to carry out our duties in a way that furthers the interests of our constituents.

My second point is that the motion tabled by the right hon. and learned Member for North-East Fife manages to divide the two issues that concern the Government. The first issue, with which I think my right hon. and learned Friend the Leader of the House agrees, is that we need to take note of what our privileges are, why we have them and how we should protect them.

Running alongside that, however, is the question of whether there was something different about the leak to the hon. Member for Ashford (Damian Green), and I hope I shall not cross the line in what I am about to say. I draw a distinction from my experience. I was not a Member of Parliament at the time but an outsider, so I should have been treated differently—as I was.

The previous Labour Government had a commitment to introduce child benefit. They decided to rat on the commitment, and papers were leaked to me showing that members of the Cabinet were not being totally truthful to one another. The Government threatened all sorts of things, through the Official Secrets Act and so on, but were far too sensible to go down that route. The Bill was not only introduced but became an Act. In addition, the Government spent huge resources on child benefit and, in the general election, said that it was one of their greatest achievements, so sometimes leaks can have a very good effect on Governments.

At some stage, the House needs to look at the circumstances of the leak relating to the hon. Member for Ashford, which I read about in the papers. My really good Friend the Member for Thurrock (Andrew Mackinlay) says that he would love everything to be put on rice paper. I must say that if I got a whole series of leaks from someone whom, it was alleged I had employed, and with whom I had contact, I as a Member of Parliament might question what was going on, particularly if I thought that that person might wish to further their career in the Opposition party. I beg Opposition Members to consider that point; it is not the usual suspects who are expressing concern about the issue. I do not usually regard myself as one of the usual suspects, and I am concerned about the matter. I make that point because I imagine that many outsiders following the debate will be concerned about the issue. It will not go away; it can come up in different circumstances. I think that it should be pursued.

I make the following plea to my right hon. and learned Friend the Leader of the House: the shadow Leader of the House has said that she is withdrawing the Opposition's official amendment, so there is a chance for the House to come together on the amendment of the right hon. and learned Member for North-East Fife. If we did that, we might just scoop some credit from our constituents for this affair.

4.52 pm

David Davis (Haltemprice and Howden) (Con): I want to raise two sets of points about the proposal. I support amendment (e), tabled by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), and I agree with everything he said in his excellent speech.

Everybody agrees that nobody is above the law—not Members of Parliament, the police or the Government. I will not spend long discussing the police; I just point out the coruscating comments made about them by Geoffrey Robertson 'QC' last week, which the hon. Member for Thurrock (Andrew Mackinlay) reiterated. As for Members of Parliament, I cannot find an example in the past century of a Member of Parliament who has escaped the law, or proper prosecution, as a result of privilege, and I do not expect that to change as a result of what we do today.

I come to the point made by the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman); I am sorry to say that he is not present. [HON. MEMBERS: "He's over there."] Good; he may want to pay attention, because he said something that is completely wrong. When talking about the sequence of events that led to today's debate, he said that it was incumbent on police to arrest Galley for what most of us would view as a disciplinary offence. Frankly, I find that use of the offence of misconduct in public office very worrying. I received an e-mail today—perfectly legally—from a recently retired senior police officer, who said the following about misconduct in public office:

"This is a catch-all or fall-back, flavour of the month, supposed offence that the Met, Thames Valley and at least one other police force"

often pursue. He continued:

"They have used it to contrive allegations of criminal conduct against a large number of public servants. Overwhelmingly, those investigated have faced years of debilitating investigation that has damaged their lives as well as their careers and the lives of their families but have faced no criminal charges of any kind or, even, disciplinary charges related to the supposed misconduct investigated.

In the vary rare convictions for the supposed serious criminal offence, the sentences have been the lightest tap on the wrist and all costs have had to be met by the Crown."

He goes on to assert that more than 50 civil servants have faced that process.

I do not know whether or not that is true, but I must tell the Leader of the House that the Government should look at this carefully. If our Government or, more accurately, our police authorities are using that law as a weapon of intimidation that almost never comes to fruition, the country should be ashamed of that.

Mr. Grieve: Does my right hon. Friend agree that if that is happening, it is entirely contrary to the intention expressed in Parliament in 1989, when the revised Official Secrets Act was enacted, that, save in cases of national security, it would be an internal disciplinary matter? The departure from those principles enunciated from the Dispatch Box by the then Home Secretary, Douglas Hurd, is an extraordinary development that undermines civil liberties in this country.

David Davis: My hon. and learned Friend is entirely right.

Sir Gerald Kaufman: The right hon. Gentleman, in discussing the appropriateness of arrest, seems to be making a persuasive point, but it applies beyond the situation that has led to today's debate. For example, what about the arrest of Ruth Turner, an aide at No. 10 Downing street, to whom the police went in the early hours of the morning? They took her away, and did not allow her to get dressed, except in the presence of a police officer, but then there were no charges against her at all.

David Davis: There were Members on this side of the House who criticised that action at the time: two wrongs do not make a right.

Returning to the point that I was making, not only did we receive that piece of evidence from a retired police officer but, only two weeks ago, we heard about the case of the journalist, Ms Murrer. The judge dismissed the case against her, saying that vast amounts of legal writ from Britain and Europe state that it should never have been brought because of protection under articles 9 and 10. If a journalist can receive that protection, surely a Member of Parliament can do so. That point is of some note when we look at the interpretation of privilege by ourselves and by the authorities under two laws passed in the past couple of decades. The Police and Criminal Evidence Act 1984, for example, specifically protected editors and the files and records of editors and journalists. We did not give that protection to ourselves, because we thought that we already had it. Similarly, when the Public Interest Disclosure Act 1998, to which the Leader of the House referred, was passed, we gave protection to whistleblowers who approached journalists. There is no such protection for whistleblowers who approach Members of Parliament. That is an absolute flaw in our laws, and it must be put right. It cannot be put right by a Standing Order, but it must be put right at some point in future.

I wish to read a brief quotation to the House:

"The privilege of freedom of speech enjoyed by Members of Parliament is in truth the privilege of their constituents. It is secured to Members not for their personal benefit but to enable them to discharge the functions of their office without fear of prosecution, civil or criminal."

Those are the words of the House of Commons Privileges Committee in 1939, ruling on the Duncan Sandys case. I remind the House that he was threatened with prosecution under the Official Secrets Act not simply because he had received highly sensitive information about military weaknesses in the country but because he refused to help the authorities to identify the source of the leak. The Privileges Committee ruled in his favour, and ruled that he could not be prosecuted.

We have to create a Committee today, hopefully under the amendment that I support, that will address that issue. Let us remind ourselves of what happens elsewhere in Europe. I am the last person to draw European analogies in the House of Commons, but the simple truth is that those countries that have had totalitarian Governments in the past invariably have absolute privilege, including protection from arrest. A German MP cannot be arrested without a motion from the Bundestag, and that arises from previous abuse and intimidation of German Members of Parliament. I am not recommending such privilege here, as that can in turn be abused. But what we have is one of the weakest sets of protections of democracy, as they should be called, in Europe.

[David Davis]

What should we ask the Committee to do? What should allow the police to go through the files and data of a Member of Parliament and, therefore, of his constituents, and not just of his constituents, but of legitimate whistleblowers who come to the Member of Parliament in the public interest? First, the crime should be serious and specific. It should not be minor—we should not be followed to catch us on speeding offences so that the police can go through our files. The charge should not be "conspiring to commit misconduct in public office", which is vague and a general catch-all. That should not be acceptable to the Speaker of the House of Commons.

Secondly, there should be solid evidence. If the MP has not been charged—my hon. Friend the Member for Ashford (Damian Green) still has not been charged, and I do not think the young man involved has been charged either—that almost certainly means obtaining explicit approval from a Law Officer: the Attorney-General or the Director of Public Prosecutions.

Thirdly, and very importantly—a point that we have not addressed before—the charge should not relate to the Member of Parliament's legitimate parliamentary activity. The charge in the Duncan Sandys' case was serious disclosure of official secrets about military preparedness, yet it was ruled an appropriate parliamentary action, risky though it was. History proved that judgment right. My hon. Friend the Member for Ashford did not disclose anything so sensitive, and everything he did disclose was entirely proper in pursuit of his duties in holding the Government to account.

Finally, the intrusion on the constituent's privacy must be necessary, not some further fishing expedition to see what the police can find. What will be the feelings of every whistleblower who speaks to a Member of Parliament if there is a fishing expedition? Again, that can be assessed only by an appropriate Law Officer.

The assault on privileges that we are discussing today is serious and, if we are not careful, it will set a very serious precedent for the future. No intrusion for a minor offence should be allowed. If we allow that, it will turn out to be disastrous. It will fatally undermine the last vestiges of power in the House. It will lead to intimidation of decent whistleblowers who are standing up for what they see as the public interest. It may not quite make speaking the truth illegal, but it will make finding out the truth illegal.

5.2 pm

Keith Vaz (Leicester, East) (Lab): This has been an important debate with some outstanding speeches, in particular those of the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) and my hon. Friend the Member for Thurrock (Andrew Mackinlay). I spent most of the early 1980s touring unwinnable seats with my hon. Friend, trying to be selected. In those days there were only unwinnable seats to fight and he always won the contests. If he was on the form that he was on today, it is no wonder that he won on those occasions. I wish I had some documents to leak to him so that he could use them.

The Speaker has made it clear what his mind is in relation to the debate. He was right to wait until Parliament resumed last Wednesday before he made his announcement to the House. That is where such announcements ought to be made—first and foremost, to Members of the House. He was also right to suggest the creation of a Committee of wise persons. That is the right approach to take on a matter of such importance and seriousness. The Government's motion concedes that, but it is different from what the Opposition and the right hon. and learned Member for North-East Fife want. The Government want the matter delayed until after the conclusion of proceedings, if any, against the hon. Member for Ashford (Damian Green).

The Government have nothing to fear from an inquiry. The Home Secretary, in her very good statement last Thursday, made it clear what information she had, what information she received and what action she took. In his intervention on her, the former Home Secretary made it clear that, if he was in that position, he would have expected to be told what was going on with the investigation. However, she made it very clear that she was not told what happened until after it had happened, and that she did not know the identity of the Member of Parliament concerned until after he had been arrested.

John Reid (Airdrie and Shotts) (Lab): I want to put the record straight on this point. My intervention was precisely as my right hon. Friend said—to criticise the systems and structures that had failed to alert the Home Secretary to a matter of such potentially explosive political consequence. I do not regard a Home Secretary being told that information as in any way intervening on the operational independence of the police; any former Home Secretary here will recognise that. The point that I am making is that it was not the Home Secretary who was at fault in those circumstances, but the structures and systems that failed to alert her.

Keith Vaz: Absolutely. The operational independence of the police is one of the fundamental principles of this debate. There should be no question of any politician, whoever they are, intervening in this process. Once there is intervention, frankly, the whole system becomes prejudicial. That is why it is important to underline to the Government and my right hon. and learned Friend the Leader of the House—a great champion of civil liberties for more than 30 years, before she entered the House and since—that the Government have had nothing to do with this circumstance. It is vital for the Government to understand that. It was the permanent secretary, in his own way, who decided to initiate the inquiry because of the leaks. The matter was then passed to the police, and it was the police who decided to take appropriate action to deal with the situation. That is the first point that I want to make.

Mr. Robert Marshall-Andrews (Medway) (Lab): Will my right hon. Friend give way?

Keith Vaz: I will not give way.

My second point relates to the action of the police. I do not know whether right hon. and hon. Members have seen the letter from Mr. Bob Quick to the Home Secretary, which has been put in the Library of the House. It is about the action that he took in respect of this matter. He seems to be relying on paragraph 5.2 of code B of the Police and Criminal Evidence Act 1984 in his assertion that what he did in going to the Serjeant at

Arms and seeking to ensure that he was able to get her consent for the search of the property underlines and vindicates his position.

There are serious questions to be asked about how the police dealt with that process. That has nothing to do with the substance of the case—if any—against the hon. Member for Ashford; it is to do with the process adopted by the Metropolitan police in order to enter the premises of the hon. Gentleman. Those questions need to be asked now; frankly, I do not believe that they can wait until after the proceedings have concluded. As other right hon. and hon. Members have made clear, the investigation may last much longer than is envisaged and the two principal actors may well be bailed again. There may be a prosecution, and therefore due process will take several months to complete.

Mr. Bellingham: Will the right hon. Gentleman give way?

Keith Vaz: I will not give way, because time is very short.

To wait such a long time before Parliament has an opportunity to make a decision would, I think, be wrong. That is why I have a great deal of sympathy with the amendment tabled by the right hon. and learned Member for North-East Fife. I hope that the Leader of the House and other colleagues will reflect on the issue. It is possible for the Committee to meet and, of its own volition, to decide to sit in camera and to adjourn. If there are to be seven wise people, we assume that they will be wise enough to know what bits they do and do not want to put into the public domain. If we do not trust Members of the House to deal with those processes, there will be no one else whom we can trust in respect of these matters.

There has been speculation in the press about whether the Home Affairs Committee is to hold an inquiry on these matters. These matters go far beyond its remit. There are distinguished members of the Select Committee from both sides of the House all around me; we will not have a chance to discuss these matters until tomorrow, which is when we will take a decision. However, before then it is important for the House to reflect on what is a very serious situation. If it is only a question of timing, that is a very small concession that the Government have to make, and then one leaves it to the good offices of those sitting on the Committee to make a decision.

I have debated with the hon. Member for Ashford many times across the Floor of the House on matters to do with home affairs, and I have always found him to be a decent man and a person of great integrity. We, as Members of this House, are able to put up with the brickbats of public life and exposure in the media, as we all do many times, some more than others. My sympathy is with his family, especially his young daughter, in having faced what he and they faced that day, and with his members of staff. I know that members of my staff sometimes wish that somebody would come and take all their computers away because of the level of casework that we have. However, it must be a terrible experience for the hon. Gentleman's staff and constituents, because on those computers is routine casework. Some cases may well involve complaints against the press—*[Interruption]* I mean the police; perhaps that was wishful thinking—and therefore cannot be dealt with. The hon. Gentleman therefore has our sympathy.

I hope that as a House we can come together on this matter. It should not be a partisan issue—it should be a question of the rights of Parliament, and I hope that the Leader of the House will bear that in mind when she replies to the debate.

5.11 pm

Mr. Kenneth Clarke (Rushcliffe) (Con): I am one of those Members, together with the hon. Member for Thurrock (Andrew Mackinlay), who put their name to the amendment tabled by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell). I like to feel that there is a consensus growing for an approach on that basis that will give much more effect to Mr. Speaker's statement last week, allow for a quicker inquiry, and allow us to look straight away, in proper order, at some of the issues of principle rather than the details of continuing police investigations. I agree with the right hon. Member for Leicester, East (Keith Vaz) that this should be approached in a non-partisan way. I usually enjoy the party rancour in this place, and realise that it can often be a useful way of checking the Government, but on this occasion it is totally unsuitable. I hope, as I see discussions taking place on the Government Front Bench, that even at this late stage there might be some reconsideration.

I ask Members to imagine what would happen if the two principal parties had been on the opposite sides of the House when this incident occurred and the Met police got it into their heads to start proceeding in this way. I regret to say—I will not name names—that some Back Benchers on my side of the House would make a speech like that of the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman) and dutifully rally round, saying, "This is a routine issue—what are we wasting our time for?" and defending his Front Benchers. I think that we would be hard-pressed to find many Labour Members, if they were sitting on the Opposition Benches, who were not beside themselves with rage if a shadow Home Office spokesman had been arrested in these circumstances and treated in this way.

I do not want to personalise this, but I first met the Leader of the House when she was the legal adviser to the National Council for Civil Liberties. That is when I first had dealings with her, although she probably does not remember. She was a pretty feisty, radical lawyer in those days, and I have to tell her that she would not conceivably have made the speech then that she made an hour or two ago—she would have been leading demonstrations outside about the behaviour of the Government in confining matters in this way.

I realise how annoying leaks are. They are not always heroic, although one can find the heroic examples of Churchill, Sandys, and so on. They cause great distrust, break up the teamwork in an office, and cause great annoyance to Ministers, as I know. In fact, most leaks come from other Ministers and their political advisers, or are authorised by them. The civil service always gets very indignant when leak inquiries are set up, because that is where they usually come from. I well remember the right hon. Member for Birkenhead (Mr. Field) getting leaks about child benefit that he shared with me, as an Opposition spokesman, from time to time. I am sure that those leaks came from Barbara Castle, or with her authority. Similar examples have multiplied in this Government over the past 10 years.

[Mr. Kenneth Clarke]

We addressed the whole matter because of the problems that we had over the criminal law when foolish decisions were made to prosecute Clive Ponting and Sarah Tisdall, who had been leaking material from the Ministry of Defence on security issues, and one of them was acquitted by a jury on the public interest defence. We decided that the Official Secrets Act and the panoply of the relevant law should relate only to national security. The law was changed precisely to avoid the outrage that occurred on this occasion. We cannot anticipate all the inquiries, but by now the police or the Government would have briefed us on any aspect of this matter that would support a stronger view being taken. No crime has been committed; it is a disciplinary offence inside the Department. Nobody is going to be prosecuted. If any prosecution is brought, it will fail because the public interest defence is absolutely self-evident. Indeed, there will be outrage in this House if a prosecution succeeds, and that should have been apparent from the word go.

I do not know what the timing of the debate is, so I shall try to be brief. I do not think that anybody here is in favour of totalitarian government. The partisan stuff on both sides is quite absurd; no one on this side is running spies inside the Government and no one on the Government Front Bench is advocating a police state. At the moment, we have a House of Commons where everybody is in favour of parliamentary democracy, which I could not have said 20 years ago when the Militant Tendency had members in our midst. I think that we are pretty safe now.

We are, however, in danger of being led by an increasing air of carelessness and indifference to basic rules. We all respect the rule of law, but sometimes we do not pay too much attention to it in some of the legislation that comes before the House. Anger, rage and unfavourable press comment always affect Ministers, but we now have an intolerance of dissent and an inability to take those brickbats that has led to a minor version of Henry II's expressions of rage about Thomas à Becket. In this case, it must have been, "Who will find and dispense with this turbulent priest for me?" At every stage, as somebody said earlier, people should have thought better. The permanent secretary should not have called the Cabinet Office in, and certainly should have stopped them talking to the police. In her statement, the Home Secretary said she agreed with the view of Sir David Normington that it was necessary to request police assistance. I am sure that she regrets that bitterly. She was already in trouble with leaks, but when she agreed to that, he got her into a lot more trouble.

I am worried about the Met, given their behaviour in the so-called "cash for honours" case, and the case of the right hon. Member for Neath (Mr. Hain). When the police are called in they should not think, "Here's a good public interest case. We'll get a lot of good publicity out of this; it'll be a good high profile thing." They should have said to the Cabinet Office, "This is not a matter for us. Go away and sort it out inside the Department itself."

When the matter came to this House, we were not prepared for it. Instead of letting the police in to search an office, somebody should have made inquiries. It has been revealed that there was no clear process enabling that to be done. Of course, if someone arrived and said that a Member was being investigated for a normal criminal offence, I would expect the Serjeant at Arms to give the police officer in question the keys, to send someone to escort him and his officers, and to arrange for them to be provided with tea and sandwiches while they carried out the necessary searches. What if they inquired and were told that there was no warrant, or if they had inquired and were told, "This is all about leaks from the Home Office"? We need to re-establish processes whereby in those circumstances the Serjeant at Arms, without hesitation, shows them to the door and gets them dispatched.

What will happen if we duck everything today, and accept a Government motion plainly designed to kick this into the long grass? They believe that the best thing to do is to get the matter beyond Christmas, let the police spin it out a bit, and hope that it will all die away, as it did in the case of the right hon. Member for Neath. No one will hear any more about it because the fuss will have died down by the time a report comes out. We need an inquiry now. We need one that does not have an in-built Government majority, which is independent and which advises the House on how we deliver our scoundrels to justice while ensuring that our more diligent Members are protected when they carry out their work.

5.19 pm

Dr. Tony Wright (Cannock Chase) (Lab): I agree with the right hon. and learned Member for Rushcliffe (Mr. Clarke) on two things. The way in which this debate has become wholly partisan has done us all a huge disservice. It should not have mattered at all which party the Member of Parliament belonged to. The issue is more important than that.

The second thing on which I agree with the right hon. and learned Gentleman is that the criminal law, as I understand it, should never have gone anywhere near the matter. Without going into the history, we thought that we had banished the criminal law from that area—indeed, I suspect that that is the conclusion that will be arrived at.

However, if we say, "Let's not do the partisan thing; let's accept that we think that something on the face of it wholly disproportionate and wrong happened in this case," we also have to go a little further and accept that that does not mean, as some hon. Members in the past few days have thought, that the immunities granted to Members under the name of privilege are larger than they really are. Those immunities are not general; they are very precious, but also very defined. However, there is clearly a general misunderstanding about what they are, as my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson) said. Whatever else comes out of this debate, we ought to try to be a bit clearer about what this thing called privilege is, which would be a good thing.

On that point, my constituents have not been wholly persuaded over the years that self-regulation has quite met the case when Members of Parliament have done things that they thought should occasion the attention of the criminal law. When my constituents have seen Members of Parliament doing things that looked to them like improper conduct, fraud and embezzlement of public money, they have wanted something to happen. They have not been entirely persuaded that the word

"privilege" means that nothing should happen to Members of Parliament, so I want us to be clear about what that privilege is.

If we concede, rightly, some things, we should concede the other things, too. There has been much talk of the public interest in this case. However, I had to stop when I heard Mr. Galley's lawyer, who was also Lord Levy's lawyer and with whom I had some dealings at the time, talking about the public interest in respect of Mr. Galley, who had been systematically leaking information from the Home Office for political reasons. As someone who first tried to introduce whistleblower legislation in the House, which my friend the hon. Member for Aldridge-Brownhills (Mr. Shepherd) took up with the aid of the Government, and as someone who spent a good deal of time when we passed the Freedom of Information Act 2000 trying to ensure that there was a public interest reason for disclosing official information, even in areas where the Government did not want a public interest test to apply, I can confirm that in all those cases we were concerned about getting the balance right.

As we are talking about public interest, I have to say that there is no public interest in having routine leaking for political reasons. That offends against two principles, one of which is the normal law of confidence. It also offends against the principle of civil service impartiality. We might even get round to passing a civil service Act this Session, after 150 years. If we do, we will enshrine in law the principle of civil service impartiality, which is what has been offended against in this instance, too. Offending against that principle has consequences that are detrimental to the public interest. That is why I am anxious about some of the things that have been said, because if we go down that route, Ministers, fearful that such leaking will occur, will collect around themselves political trusties, thus excluding the civil service from things in which it should be included. That will be extremely damaging to the public interest. There are a number of principles at work.

Martin Salter (Reading, West) (Lab): Will my hon. Friend give way?

Mr. Grieve: Will the hon. Gentleman give way?

Dr. Wright: No, I will not.

Having said what I have about the case in question, I also think that when we consider issues of privilege, it is worth reflecting that if it was the case—and I know that it will not be in this instance—that a Member of Parliament had entered into an arrangement with a civil servant to disclose information on a continuing basis for political reasons or if a Member of Parliament was paying a civil servant to send information across regularly, we would regard that as extremely serious. It would also raise questions about Members' conduct. It might not occasion the criminal law, but it would lead us to define what we think is the proper conduct of a Member of Parliament. So yes, let us have a Committee: I rather like the Committee proposed by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) and I hope that the Government will be well disposed to such a Committee. I do not know whether the term "sub judice" actually covers the worry we have about police inquiries, but I hope that the right hon. and learned Gentleman can assure us that it does. Let us have the Committee; let the Committee decide where it is and where it is not proper for it to go; and let us put all that on the table in order to make some sense out of it all.

5.25 pm

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): I know that we are fast running out of time and I wish to cover just two main points. I agree with a number of right hon. and hon. Members who have spoken. I thought that the right hon. Member for Holborn and St. Pancras (Frank Dobson) made a very thoughtful speech and I also agreed with the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), whose amendment I hope to support in the Lobby tonight. When it comes to the hon. Member for Thurrock (Andrew Mackinlay), I usually agree with him without having to think about it, but there is one area where I would disagree with him: if he is going to take this evidence in on rice paper, he will need to be more careful about which type of equipment the police will take in with them as they enter the House! I have to warn him there. *[Laughter.]* Let me focus quickly on two main points. First, it is absurd for the Government to insist on two points in their motion: that we have to give way to the process of what the police are doing, which means the Committee cannot carry out its inquiry; and that there must be Government superiority on the Committee. This is a House of Commons matter; it is not for the Executive. If we watch the guides going past that rather contrived picture in the Lobby with Speaker Lenthall on his knees in front of King Charles, we all pride ourselves on the idea that that was the moment when we broke from the Executive, who lost control of this place. The truth is that, in many senses, tonight has proved that the King actually won, because here we have the Executive deliberately misreading what Mr. Speaker wanted and tabling a motion that, as I warned the other day, is a debasement of Mr. Speaker's own idea of what should happen. We do not need any superiority of the Executive on that Committee; what we need is seven or whatever number of the so-called wise men and women to sit on that Committee and deliberate. They do not need any push from the Government about which direction they should move in.

My second main point is about timing. As I said in an intervention, we are having a police inquiry into what went on and what was wrong, but why are the police allowed to carry on when they still might proceed against my hon. Friend the Member for Ashford (Damian Green)? The police can decide what was right and wrong, but this House cannot. Is there one rule for the police and another for us? We have said that we are not above the law, but neither are the police. The absurdity is in the idea that we in the House have no courage, yet the Government have no courage that this place can behave sensibly or that the men and women on this Committee can take a decision about the effects of a prosecution or a lack of one for my hon. Friend the Member for Ashford.

Sir Patrick Cormack (South Staffordshire) (Con): Is my right hon. Friend aware that, 10 years ago, the Government set up a Joint Committee of both Houses

[Sir Patrick Cormack]

to deal with issues of privilege and have ignored it ever since? If the report it produced had been implemented, we would not be in the mess we are today.

Mr. Duncan Smith: My hon. Friend is absolutely right.

In addition, there has been an element of party political knockabout tonight, although some speeches have been very good. I simply put it to Government Members that irrespective of whether they agreed or disagreed with the previous Conservative Government, tonight's true debate is not about who was right or wrong; the true debate tonight is whether the Executive or Members of Parliament should decide in this place what this place really needs.

We are discussing the serious issue of whether an MP has any form of protection in going about their natural duties. It may be that many are suspicious of what my hon. Friend the Member for Ashford was up to. It may be, as the right hon. Member for Birkenhead (Mr. Field) said, that what he did was too persistent and too political. I do not know. But I do know that we cannot have a Member of Parliament, of whatever political colour or hue, being investigated under a criminal charge by the police as though what that Member was doing was somehow damaging to national security. That is an absurdity. Members of Parliament must be free to go about their job. I ask Labour Back Benchers to think about whether they would behave as they are behaving tonight if they were in opposition. They have a chance tonight to tell the Government that they do not have a say in this matter. When the Executive wish to have their way, Members should always behave as if they were in opposition.

5.30 pm

Mr. Denis MacShane (Rotherham) (Lab): This has been an important debate, with constructive speeches from my right hon. Friend the Member for Leicester, East (Keith Vaz), my hon. Friend the Member for Cannock Chase (Dr. Wright) and the right hon. and learned Member for Rushcliffe (Mr. Clarke).

In a sense, I would like to split the difference between the motion and the amendment. I must say to my dear right hon. and learned Friend the Leader of the House that the motion is poorly worded. The amendment makes it clear that the Committee can investigate all that happened inside the Ministry, and call to give evidence those who appear to have systemically organised a breach of confidence on a party political basis inside the Home Secretary's private office—not merely a civil servant seeing some document and being so outraged that he must put it in the public domain, but a continuing breach of confidence and act of disloyalty at the heart of our democratic government. My right hon. and learned Friend's motion does not allow such an investigation to take place.

We have had too much partisanship in this matter. Last week, all we heard were criticisms of the Prime Minister and Home Secretary. This weekend, we have heard some unacceptable remarks about the Speaker. Some offices in our state—one thinks of the monarchy and senior judges—are in a sense fused with their occupants, and that may also be the case with the Speaker. If one makes an ad hominem attack on the Speaker, one attacks the Chair itself. The Conservative party must stop that now.

I agree with the right hon. and learned Member for Rushcliffe that people should have said no much earlier. Sir David Normington should have said no, the Metropolitan police should have said no, and the House authorities should have said no. It is not sergeants who are required to fall on their sword but officers, and we should take some responsibility in that matter. We cannot put the matter off until the full police inquiry has taken place.

The argument about the composition of the Committee—whether party political, regional or gender—is a red herring. I have confidence in the Speaker, under the terms of his statement, my right hon. and learned Friend's motion, and the amendment proposed by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), to choose seven colleagues who will carry out their activities independently, without fear or favour. To encourage that to happen, I have to say with regret, as a serial loyalist to my right hon. and learned Friend the Leader of the House, that I cannot vote for the Government tonight, and I hope that the amendment carries the day.

5.33 pm

Mr. David Heath (Somerton and Frome) (LD): As a non-Privy Counsellor, it is a privilege to be able to participate, however briefly, in the debate. I support the amendment tabled by my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell) and other Members from both sides of the Chamber. This matter is of great importance to many in the House, and must be addressed without pomposity and self-regard, because it is about our constituents, not our privileges. It is right—

5.34 pm

Three hours having elapsed since the commencement of proceedings on the Business of the House motion, the Speaker put the Questions necessary to dispose of the business to be concluded at that time (Order, this day).

Amendment proposed: (e), leave out from 'action' to end and add

'and to investigate all the circumstances, including Ministerial, official and police actions, which led to the search, and to review the applicable rules and procedures of the House and to make recommendations;

That the Committee have the power to send for persons, papers and records; to report from time to time; to sit notwithstanding any adjournment of the House;

That the Committee should be bound in its proceedings by the existing resolution of the House on matters of sub judice; and

That the Committee consist of seven members appointed by the Speaker.'—*(Sir Menzies Campbell.)*

Question put, That the amendment be made:—

The House divided: Ayes 281, Noes 285.

Division No. 2] **[5.34 pm**

AYES

Abbott, Ms Diane	Alexander, Danny
Afriyie, Adam	Amess, Mr. David
Ainsworth, Mr. Peter	Ancram, rh Mr. Michael

Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clark, Greg
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cook, Frank
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Flynn, Paul
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Galloway, Mr. George
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gibson, Dr. Ian
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Grogan, Mr. John
Gummer, rh Mr. John
Hamilton, Mr. Fabian
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Havard, Mr. Dai
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Glenda
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Jones, Lynne
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
Maclean, rh David
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Marshall-Andrews, Mr. Robert
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prentice, Mr. Gordon
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Short, rh Clare
Simmonds, Mark
Simpson, Alan
Simpson, Mr. Keith
Smith, Geraldine
Soames, Mr. Nicholas
Soulsby, Sir Peter
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Ms Gisela
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Truswell, Mr. Paul
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Vaz, rh Keith
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, rh Mr. Alan
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wilshire, Mr. David
Wilson, Mr. Rob
Winnick, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Wright, Dr. Tony
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Richard Younger-Ross and Mr. James Gray

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Beckett, rh Margaret
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Elman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty

Wills, rh Mr. Michael
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Dave Watts and Helen Goodman

Question accordingly negatived.

Sir Patrick Cormack (South Staffordshire) (Con): On a point of order, Mr. Speaker. This is a point of order for you, because the motion that the House has so narrowly approved was very different from what you suggested last Wednesday. Will you please reflect on that and come back to the House with another statement tomorrow?

Mr. Speaker: The House has not agreed to any motion; it was an amendment that was put forward.

Main Question put.

The House divided: Ayes 293, Noes 270.

Division No. 3] **[5.52 pm**

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Cleiland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda

Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Dave Watts and Helen Goodman

NOES

Abbott, Ms Diane
Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Drew, Mr. David
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Flynn, Paul
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Galloway, Mr. George
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gibson, Dr. Ian
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Grogan, Mr. John
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Havard, Mr. Dai
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Marshall-Andrews, Mr. Robert
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prentice, Mr. Gordon
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Scott, Mr. Lee
Selous, Andrew

Shepherd, Mr. Richard	Viggers, Sir Peter
Short, rh Clare	Villiers, Mrs. Theresa
Simmonds, Mark	Walker, Mr. Charles
Simpson, Alan	Wallace, Mr. Ben
Simpson, Mr. Keith	Walter, Mr. Robert
Soames, Mr. Nicholas	Wareing, Mr. Robert N.
Spelman, Mrs. Caroline	Waterson, Mr. Nigel
Spicer, Sir Michael	Watkinson, Angela
Spring, Mr. Richard	Webb, Steve
Stanley, rh Sir John	Whittingdale, Mr. John
Steen, Mr. Anthony	Widdecombe, rh Miss Ann
Streeter, Mr. Gary	Wiggin, Bill
Stuart, Mr. Graham	Willetts, Mr. David
Stunell, Andrew	Williams, Mark
Swayne, Mr. Desmond	Williams, Mr. Roger
Swinson, Jo	Williams, Stephen
Swire, Mr. Hugo	Willis, Mr. Phil
Syms, Mr. Robert	Wilshire, Mr. David
Tapsell, Sir Peter	Wilson, Mr. Rob
Taylor, Mr. Ian	Winnick, Mr. David
Taylor, Matthew	Winterton, Ann
Taylor, Dr. Richard	Winterton, Sir Nicholas
Teather, Sarah	Wishart, Pete
Thurso, John	Wright, Jeremy
Timpson, Mr. Edward	Yeo, Mr. Tim
Tredinnick, David	Young, rh Sir George
Truswell, Mr. Paul	Younger-Ross, Richard
Turner, Mr. Andrew	
Tyrie, Mr. Andrew	**Tellers for the Noes:**
Vaizey, Mr. Edward	**Mr. John Baron and**
Vara, Mr. Shailesh	**Mr. Adrian Sanders**

Question accordingly agreed to.

Ordered,

That, following the search of a Member's office in the Parliamentary Estate by the police and the seizure of material therein, a committee be appointed to review the internal processes of the House administration for granting permission for such action, and to make recommendations for the future;

That the committee must not in any way prejudice any police inquiry or potential criminal proceedings and that therefore it will be adjourned immediately after choosing a chairman until the completion of any relevant inquiry or proceedings that may follow;

That the committee have power to send for persons, papers and records; to report from time to time; to sit notwithstanding any adjournment of the House; and

That the committee consist of seven members appointed by the Speaker reflecting the composition of the House.

Simon Hughes: On a point of order, Mr. Speaker. In the light of the two votes that we have just had, I thought that it was a matter of courtesy to inform you of a point of order and then to ask your advice. My right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg) and I do not feel that we can recommend to our colleagues that they serve on a Committee that will be a nonsense—a Committee that will sit to choose a Chairman and can then sit no more. I hope you will understand if we do not recommend participation in the process. Secondly, can you confirm that it is none the less possible for other Committees of the House, including the Select Committee on Standards and Privileges, to take up this matter if they wish to do so?

Mr. Speaker: The House has made its decision and it is best for me not to comment on the issues that the hon. Gentleman has raised. He is aware of the rules of the House on the composition of Committees, and it is best that I do not make any comment on that matter.

Mrs. May: Further to that point of order, Mr. Speaker. I feel it would also be courteous to the House and to you to inform you that my right hon. Friend the Member for Witney (Mr. Cameron) and I feel unable to recommend to Members of our party that they should serve on the Committee, which we believe so blatantly flies in the face of the desires that you had about the nature of the Committee, which were that it should not be party political and that it should meet and conduct its inquiries now. I, too, ask for confirmation that the subject will be open to other Committees of this House, such as the Standards and Privileges Committee, and that their remit covers the matters that your Committee would cover.

Mr. Speaker: I make no comment on the right hon. Lady's first point. On the latter point, it is up to Committees of the House to decide what they wish to do and what action they want to take. That is entirely up to them.

Mr. David Winnick (Walsall, North) (Lab): On a point of order, Mr. Speaker. Those of us—whatever our numbers—who remain very concerned about the police raid, as I mentioned in my point of order last week, remain so because we believe that what took place had no justification whatsoever. In view of the points of order that have just been made, and although I realise that you do not decide on statements and cannot possibly do so, would it not be appropriate for my right hon. and learned Friend the Leader of the House to reconsider the circumstances of the matter and to make a statement to the House as soon as possible? I presume that you, Sir, made your statement last week on the basis of the seriousness of what occurred. We cannot just leave things as they are. It seems to me that the reputation and authority of the House are very much at stake.

Mr. Speaker: That is not a point of order, but I can tell the hon. Gentleman that the House has been able to access the protocol that I have set out. If similar circumstances emerge in future—God forbid—the protocol will be used. Every hon. Member, every Officer of the House and every Speaker will know exactly what to do with the protocol.

Mr. Jenkin: On a point of order, Mr. Speaker. Does anything that has occurred in the House today affect your powers to refer complaints about breach of privilege to precedents, and to a motion on the Floor of the House in the usual way?

Mr. Speaker: It is up to hon. Members to raise matters of privilege. It is not up to me.

Sir George Young (North-West Hampshire) (Con): Further to that point of order, Mr. Speaker. You will know that the Standards and Privileges Committee can deal only with matters specifically referred to it by the House.

Mr. Speaker: That is not a point of order—it is something that the House already knows.

Richard Younger-Ross: On a point of order, Mr. Speaker. Further to the question asked by the right hon. Member for Maidenhead (Mrs. May) about police access to the

[Richard Younger-Ross]

parliamentary server, I point out that many Members keep data on the server. I keep on it names and addresses, and details of issues about which people contact me. Can you advise us, Mr. Speaker, what assurance Members can give their constituents that if the police have accessed that server, details of all our constituents have not been given to them?

Mr. Speaker: The hon. Gentleman will recall that in response to another Member I said I would look into that question. It is being looked into as a matter of urgency.

Debate on the Address

[3RD DAY]

Debate resumed (Order, 4 December).

Question again proposed,

That an humble Address be presented to Her Majesty as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

Employment, Universities and Skills and Housing

6.10 pm

The Secretary of State for Innovation, Universities and Skills (Mr. John Denham): The worldwide credit crunch is hitting the economy and public finances in every country, and few families and businesses believe that they will be unaffected in any way. What families and businesses need is real help now. They want to know that investment is being made for the future to ensure that when the upturn comes the country will be stronger, more competitive and fairer.

Last Wednesday's Queen's Speech showed how the Government are acting now to help families and businesses through the downturn and how we are planning for the future. All that is in sharp contrast to the Opposition, with their do-nothing attitude and their "let the recession take its course". The measures we set out last week support the action we are taking now and they will put the right structures in place to ensure success in the future.

My Department has an important role to play in helping to create a fairer society and a more productive economy, through our support for research and innovation, for higher education and, crucially, for the skills that are vital to businesses in a downturn and in the future upturn. As was rightly said by the Time to Invest in Skills campaign, led by the UK Commission for Employment and Skills, the CBI and other business leaders, companies that do not train are two and a half times more likely to fail than those that do. We are making it easier for businesses to get the skills they need, quickly.

Over the next two years, small and medium-sized enterprises will be the focus of a £350 million increase in Train to Gain funding. By then the budget for Train to Gain will be more than £1 billion. We are relaxing Train to Gain rules to allow funding for bite-sized units for qualifications in subjects such as leadership, risk management and customer service—things we know that SMEs prefer and that are proven to bring quick benefits to business.

We are relaxing the rules to allow the staff of small and medium-sized enterprises free training at level 2, whether or not they have reached that level. We are investing more in funding for training at level 3.

Tony Baldry (Banbury) (Con): What small businesses want in the immediate term is access to credit and some of the assistance that the Chancellor announced in the pre-Budget report. Over the past few days, I and my

office have been whirligigging around regional development agencies, banks and Business Links, trying to discover who actually has information about the Chancellor's announcements. The last response—today—was from London Business Link:

"As discussed, I do not have any substantial information on the new funding scheme for SMEs and will send you any information I receive from our research team."

Even though Business Link knew that the debate was taking place today, it could not tell Members how small businesses will be able to access the money announced by the Chancellor in the pre-Budget report.

Mr. Denham: The new loan guarantee schemes and the support for export credits and for capital investment announced in the pre-Budget report will be made available, and Business Link is the right place to go for details, although it is not entirely surprising that schemes announced only a fortnight ago are not in every case yet in place. However, the Government's action in taking those measures is in stark contrast to the attitude of Opposition Members who have criticised everything we have done and take the view that nothing can be done to help small businesses get through. As the schemes are brought in, Business Link will be the right place to go for information.

Chris Ruane (Vale of Clwyd) (Lab): The optical electronics research and innovation centre, OpTIC, is in my constituency, so I welcome my right hon. Friend's announcements about research and development and the export trades. What will be their impact in a Welsh constituency?

Mr. Denham: A number of the functions of my Department, especially my responsibility for research budgets, are UK-wide and the investment we are maintaining in research is critical not just for England but for the whole country. Skills policy is a devolved responsibility so I cannot tell my hon. Friend that every single thing done in England will be mirrored, but we maintain close contact with all the devolved Administrations, including the Welsh Assembly. In those Administrations, people are looking at ways of meeting similar needs, so I urge him to raise the issue with the Assembly. I shall be happy to do so, too, if he feels that his constituency is not getting support that should be available.

Mr. Tobias Ellwood (Bournemouth, East) (Con): May I go back to the point made by my hon. Friend the Member for Banbury (Tony Baldry)? The problem is that small and medium-sized businesses cannot get hold of the money and loans they need, because the £37 billion of taxpayers' money lent by the Government has been lent at an interest rate of about 12 per cent. That compares with only 5 per cent. in the United States or Germany. As long as the rate is 12 per cent., how can money possibly be handed down to the SMEs that are begging for money so that they can stay solvent?

Mr. Denham: If the Opposition had had their way over the past year we would not be discussing a banking system that existed at all to lend to SMEs. On every significant issue that came up over the past year, the Conservatives got it wrong. We made sure that the right investment was made and that there were the right loan guarantees to stabilise the banking system and prevent collapse. As the hon. Gentleman knows well, we are engaged in discussion with the banks about the detail of their lending policies, but they have made clear the obligations they accept about marketing and the availability of finance for small business. We are putting in place the extra measures announced by my right hon. Friend the Chancellor two weeks ago. That is a powerful set of messages. However, the hon. Gentleman is right: small businesses are crucial in the economy, which is why we are going to such lengths to ensure that we tackle all the problems. As they arise, we shall continue to bear down on the banks and the guarantee systems—whatever is necessary to make sure we get through this recession. It is the hallmark of the Government that we understand our responsibility not to walk away from families and businesses in hard times, but to tackle difficult issues and to keep coming back to issues that are not easy to solve at first sight. That is in stark contrast to what would have happened if the Opposition had been in power.

I was talking about the extra investment for SMEs that we will make through training. We can do that only because the Government have planned to invest in skills, unlike the Opposition, who have promised to cut—*[Interruption.]* Hon. Members should listen, because this will affect many of their constituents. The Conservatives have promised to cut Train to Gain spending by more than £1 billion. They have promised to deny 1 million employees the chance to obtain new skills, and to get on, every year. That is a big difference. We are planning to invest in skills. The Opposition are planning to cut investment in skills.

Mr. David Anderson (Blaydon) (Lab): May I give some advice to Opposition Members who say that regional development agencies are not helping them? In the north-east, we were advised last week by One North East that a transition loan fund is being set up, as well as a small business finance scheme and a capital loan fund. Opposition Members might consider ringing 0845 600 9006 and talking to One North East—they might get the advice they obviously need for their people.

Mr. Denham: I am grateful to my hon. Friend, who has clearly talked to his local regional development agency and so knows what immediate steps are being taken. The same is often the case with other regional development agencies. His RDA is providing some interim support before the national schemes are fully available across the country.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): To counter some of the doom and gloom emanating from the Opposition Benches, may I inform my right hon. Friend of a company that I visited in Tipton a couple of weeks ago, called Carrs Tool Steels? It has just invested in a new milling machine, with the aid of a grant from Advantage West Midlands—the RDA—and the backing of a local bank. That machine will increase its productivity twelvefold; it is the only such machine in the country. It will have a remarkable impact on the company's future prospects. I ask him to make sure that such funding from regional development agencies, and the work that RDAs do with local financial institutions, is maintained. The situation is a contrast to what would happen if some of the policies promoted by the Opposition were put in place.

Mr. Denham: My hon. Friend is right to raise that example, and to pay tribute to the work that has been done by successful entrepreneurs and regional development agencies. The co-operation between the two has resulted in the development and growth of many successful companies. I agree with him that although times are challenging, the way in which the Conservative party always seeks to run the country down is a challenge in itself, to say the least.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): Will the Secretary of State give way?

Mr. Denham: I would like to make a little progress, but I will take an intervention from the Chairman of the Innovation, Universities, Science and Skills Committee.

Mr. Willis: I am grateful to the Secretary of State. I want to ask him a positive question, to which I hope he will give a positive answer. Last Monday—a week ago today—a number of right hon. and hon. Members visited the Honda Formula 1 team. *[Interruption.]* No, it was not my fault. We are talking about an innovative company with cutting-edge technologies that drives forward new products at a level that is probably not seen anywhere outside that very exciting area. What will the Secretary of State offer companies such as the Honda Formula 1 operation, through the Queen's Speech, so that we retain those businesses, skills, and innovative practices in the UK?

Mr. Denham: The important thing is that we maintain our investment in science and research, continue to develop organisations such as the Technology Strategy Board, and continue to recognise those parts of the economy in which we have a particular strategic strength and advantage. That means working with those areas of the economy, whether through investment in innovation and research, or through the development of skills.

So far as Formula 1 is concerned, it is well recognised that there is a triangle of particular expertise in this country, which goes beyond any one particular race team. It has specialist companies within it, and it has links to wider manufacturers. The hon. Gentleman asked me to look at what is happening in the Formula 1 industry, and I am more than happy to do so, but I am quite clear that our commitment to investment in research and innovation lies at the heart of creating the conditions in which such activity can continue.

Train to Gain is not the only issue on which the Government have listened to business. As everyone will have heard, business said that it found the skills landscape too complex, so we are implementing the simplification proposals of the UK Commission for Employment and Skills. We are merging the Train to Gain brokerage service with Business Link. Employers asked us to cut bureaucracy in apprenticeships, and we did. They asked us to ensure that high-quality employer training could be accredited, and we did.

We know that as we respond to the downturn, we need to make further changes. We have already announced additional funding from the European social fund to support skills advice and training for those who lose their jobs, or fear that they may do so. I want to ensure that more of the £5 billion annual investment in further education and skills helps people to get back into work. I want more people to get support before redundancies occur or short-term contracts come to an end.

Where a business moves on to short-time working, there will be more scope to offer free, short-term and intensive training for employees. I would urge any company, large or small, that is considering short-time working to follow the example of Nissan and JCB, and to talk to their local further education college or the Learning and Skills Council about what training they can offer their staff during that down-time. When redundancies or the shedding of contract labour is pre-announced, colleges and training providers need more flexibility to provide training support before jobs are lost.

The changes underline why further change to the organisation of the skills system is needed as we move towards greater responsiveness to employers, greater flexibility in the skills system and greater flexibility for providers. Under the Conservative party, post-16 education and training was a disaster. The Conservatives rightly gave colleges independent incorporated status, but then denied them funding and support. By 1997, in the confusion created by the training and enterprise councils, FE spending had been cut in real terms in the previous four years. There was no capital budget. The National Audit Office said that some FE buildings were not fit for purpose, and only half the people who started a course completed it.

The establishment of the Learning and Skills Council enabled the Labour Government to transform the scene. Completion rates are now 80 per cent., and that work is concentrated on the most useful qualifications. Investment in skills has risen by 50 per cent., and we are halfway through a £4.3 billion capital programme. The success of the LSC means that we can change to meet changing challenges. In 16-to-19 education, the challenges are securing proper, coherent planning of the curriculum; raising the participation age, which the Conservative party opposes; and taking clear responsibility to further reduce the number of those not in education, employment or training.

Mr. Edward Garnier (Harborough) (Con): Will the Secretary of State please comment on the Government's performance in relation to education in prisons? I know that that is partly his remit, and partly that of the Secretary of State for Justice. There are large gaps in the provision of education within secure training centres, young offender institutions and the adult prison estate. I am afraid that the position is not getting any better as a result of the reforms that the Government are engineering this autumn and winter.

Mr. Denham: The hon. and learned Gentleman raises an important point. The Public Accounts Committee reported on the issue recently, but with respect, it did not say that things were getting no better; it recognised the £151 million of investment in offender learning and some significant achievements. However, there is no doubt that there are further improvements still to be made, particularly when it comes to ensuring continuity of training for prisoners who move around within the prison estate. The Government deserve credit for the investment that we have made. It was a good move to shift responsibility to professional educators and away from the Prison Service. The remaining issues have been properly identified, and we need to work to tackle them. However, progress has been made on that important issue.

On adult skills, we need a slimmer, more flexible, more responsive system; the new skills funding agency will provide that. Through the children, skills and learning Bill, we will legislate to create the new SFA, to deliver better help, and to deliver a system that will better build the right skills for the future. The SFA will be designed to be flexible, and highly responsive to employer needs and the changing economic demands of the country. Central to the new system will be the way in which funding will follow the choices of learners much more closely. The SFA will focus on results rather than processes, allowing colleges and providers to be more innovative and entrepreneurial.

The SFA will have responsibility for funding Train to Gain and for ensuring that providers are properly accredited. It will house the new national apprenticeships service as well as the adult advancement and careers service, which will offer further support and information for employers and for people who want to get on in their lives.

Joan Ryan (Enfield, North) (Lab): I want to catch my right hon. Friend while he is on the subject of apprenticeships. What the Government have done to support, build and grow the number of apprenticeships is fantastic. It makes a huge difference in all our constituencies, and to the young people concerned; I am sure that we all meet them when we hand them their certificates. I welcome giving suitably qualified young people a legal right to an apprenticeship, but there is a lot to do to ensure that they get the appropriate information, advice and guidance while at school. I seek my right hon. Friend's reassurance that, when we take those welcome measures forward in the Bill, we will make sure that advice and guidance are given at an early stage.

Mr. Denham: I am grateful to my hon. Friend. The issue of information, advice and guidance is actively being discussed by my Department and the Department for Children, Schools and Families. As a London MP, she will know that we have a London apprenticeship taskforce, which looks to increase the number of apprenticeship places in the capital; for historical reasons, the number there is significantly below the average in the rest of the country.

Several hon. Members *rose—*

Mr. Denham: If I may, I shall make a little more progress.

The Opposition have not learned anything from their time in office. Recently, at the Association of Colleges conference, the hon. Member for Havant (Mr. Willetts) was asked about the capital programme for further education colleges, and he said that

"given the economic circumstances, we cannot commit ourselves to public spending plans in total for 2010 and beyond".

The Government are bringing forward the FE college building programme to boost the economy, but the Opposition plan to cut it.

Rob Marris (Wolverhampton, South-West) (Lab): On apprenticeships, because of the downturn, some employers unfortunately may provide less training. Apprenticeship placements are difficult to obtain, so will my right hon. Friend look at providing expanded apprenticeships in the public sector, particularly the NHS and local authorities, similar to those that we used to have under the National Coal Board, for example, which would take on excess apprentices, knowing that some of them would leak out to the private sector on the completion of their training. However, that did not matter, because it was a nationalised industry, and it was simply a different way of providing apprenticeship training for young people. We need to look at doing more of that with the NHS and local authorities.

Mr. Denham: I certainly agree with my hon. Friend, and I will return to that point in a few moments.

Bob Spink (Castle Point) (Ind): I apologise for being late for the debate, as I was attending a meeting. What is the Secretary of State doing to ensure that the education maintenance allowance goes to those young people who need it, to encourage them to take advantage of the greater participation that the Government have made available?

Mr. Denham: That is an important point. The hon. Gentleman will know that we have had to change the contractor supplying that service, and it is working hard to clear up the backlog and ensure that those young people receive their EMA. The allowance has been a considerable success in encouraging young people to stay in further education and training. Again, in contrast to the Opposition, we are committed to that. I am sorry, this is becoming a little routine, but people who say that there is nothing to choose between the two parties need to pay slightly more attention to the differences between us in the areas that we are debating. I was about to move on to higher education, in which we have made a significant investment. The Opposition, however, have tended to indicate that they want to return to the unfunded expansion of higher education. I remind the House of what Lord Patten recently told *The Guardian* about higher education policy when his party was in power. He said that

"we expanded higher education hugely by reducing the investment in each student. The Treasury calls that higher productivity—it's a euphemism for poorer pay, degraded facilities, less money to support the teaching of each student".

We have been warned.

Mr. Paul Truswell (Pudsey) (Lab): May I just rewind my right hon. Friend's comments? Is he aware of many people's concern that the targeting of FE funding militates against the provision of return-to-learning courses which are crucial, for example, to women who have spent time outside the work force? What will the Queen's Speech proposals do to provide that stepping stone before those groups can take more formal qualifications, particularly in the light of the economic situation?

Mr. Denham: The development of the skills funding agency will give us a more flexible vehicle for delivering policies that we have already announced. Earlier in the autumn, in setting out the priorities for skills funding, I was able to say that we wanted greater flexibility for colleges to deliver courses below level 2. We will introduce further flexibilities in Train to Gain for those with older qualifications that need to be refreshed. While the Queen's Speech is essentially about structure, we are moving the skills funding system towards greater flexibility, which

[Mr. Denham]

brings greater professional autonomy to college managers. That is a process that will develop over time, but I am sure that it will help to tackle the important problem that my hon. Friend identified and which we need to address.

Our investment in higher education is not only a sound investment for the future but it enables universities and higher education institutions to offer immediate and practical help to businesses and individuals in the downturn. I commend to the House the document produced last week by Universities UK, GuildHE and the Higher Education Funding Council. It gave a business contact for every single higher education institution, and it set out the practical support available from our universities.

The ProfitNet programme introduced by the university of Brighton brings together 500 companies across Sussex, and it has helped create supply chains, new processes and joint ventures. The business evolution service provided by the university of Staffordshire supports skills development and training at different levels, depending on employer requirements. Changes to the rate of VAT mean that universities, like other registered charities, will benefit financially for the 13 months in which the lower rate remains in force. Both Brighton and Staffordshire universities have said that the VAT cut will help them to step up their efforts on behalf of their local communities, and I very much welcome that.

Mr. David Willetts (Havant) (Con): As the Secretary of State knows, I gave him advance notice that in our debate on universities I hoped that he would take the opportunity to tell the House authoritatively how many students in 2009-10 will have a lower maintenance grant entitlement than in the current year, 2008-09. We have been trying for weeks to get that elementary fact out of the Secretary of State, so will he take the opportunity to give the House that figure?

Mr. Denham: The figures that count are as follows. Compared with the announcements that I made in July 2007, we will invest a further £100 million in student financial support. Two thirds of students will get a full or partial grant. The percentage of students getting a full grant will not be the third of students that I anticipated, but 40 per cent. All students will receive more grant than they would have done in 2007 up to the threshold of £50,000 a year of household income and, in the same range, all will receive more total support than they would have had in 2007. That is a demonstration of our commitment to improve the student finance system. It is quite true that we have had to make adjustments and that some people who would have received some grant will not do so in the next year, but we have been straightforward in our commitment to deliver two thirds of students receiving a full or partial grant, which we believe we will achieve next year.

Whether people lack basic skills, or have high level skills which need to be refreshed, everyone from time to time needs to improve and update their skills and education. That is why we will bring in a new right for those in employment to request time to train—a new right for about 25 million people across Great Britain—and I am pleased that the devolved Administrations in Scotland and Wales have indicated support for similar measures. That new right will encourage a discussion between individual employers about skills development. A key requirement is that training should help improve business performance and productivity in the organisation concerned.

Dr. Ian Gibson (Norwich, North) (Lab): Before my right hon. Friend moves on, it would be characteristic of him to remember that international students come to these islands, and that our educational institutions are a magnet for them. They go back home, and take the message with them, which is a very important way of developing relationships with developing countries and so on. They come here because of the quality of education, which is superb.

Mr. Denham: My hon. Friend is absolutely right. The overseas students who come to study here are not only welcome but are an important part of our education system. They enrich the institutions to which they come to study. It is fundamentally the investment that we have made as a Government in higher education that enables that to be true, and we need to maintain our commitment to proper investment in higher education and not repeat the mistakes that were made in the not-too-distant past but which too many people appear to have forgotten.

Most businesses regard investment in training as investment in their own productivity. Employers spend £38 billion a year on training, which is many times more than the Government themselves spend, so time to train goes with the grain of what good businesses already do. I believe that asking for time to train will often become part of an employee's annual review process, and it will help to instil a culture of learning in every workplace. Apprenticeships, too, are an important way of unlocking talent and building skills in the work force. Ten years ago, apprenticeships were close to collapse. Only 75,000 people started them, and most of them did not finish. We as a Government have rescued apprenticeships. Last year, about 180,000 people started apprenticeships, and we are on target for 130,000 completions a year by 2010-11. Apprenticeships are back. Expanding the number of apprenticeships will help the economy to emerge from the recession stronger.

The children, skills and learning Bill will give all suitably qualified young people a legal right to an apprenticeship from 2013, and it underlines our commitment to entitle young people who have the ability and desire to take an apprenticeship to do so. The Bill will strengthen apprenticeships by establishing a coherent legal framework that will define the programme and set the standard. We believe that fulfilling our apprenticeship commitments will lead to around one in five young people starting an apprenticeship, with further growth for older workers, too. To support this entitlement, we will, through the Bill, establish a new national apprenticeship service, which was called for a couple of years ago by the Lords Select Committee. For the first time ever, we will have a dedicated service for apprenticeships.

Investment in apprenticeships will rise to more than £1 billion next year, but we need to take further measures. As my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) said earlier, we need a big drive to increase the number of apprenticeships offered

in the public sector. We have already set targets for central Whitehall Departments. Radical new models of supporting apprenticeships, such as the London Apprenticeship Company, a community partnership including the City of Westminster college and Westminster Kingsway college, are being considered. That partnership intends to recruit apprentices who will be made available as a flexible work force to employers and other host companies. We have also set up a matching service for construction apprentices whose employers cannot keep them on, to place them in new employment and training. We are looking at developing a similar service in other sectors.

The Government need to use the leverage of public procurement. When we use taxpayers' money to build a new college, school or hospital, we do not want just to create new buildings. We want to help build the skills base of the construction industry. Following the announcement in the pre-Budget report, whenever Departments and their agencies let new construction contracts, they are now encouraged to consider making it a requirement that the successful contractors have apprentices as a proportion of the project work force. All successful contractors in Building Colleges for the Future, worth £2.3 billion, are now required to have a formal training plan for the project work force and provide access to apprenticeship places. We will build on this approach in other sectors, hopefully including IT, where Government will spend nearly £14 billion this year.

The Department for Communities and Local Government is also taking action on construction. The Local Democracy, Economic Development and Construction Bill will strengthen local democracy, promote regional and local economic development, and ensure fairness in construction contracts. It will improve current legislation on commercial contracts to provide a fairer system, and more cash flow for construction companies. The legislation will be especially important for small and medium-sized enterprises, which play a key role in local economies. The Bill will transfer greater power and responsibility to regions, local authorities and citizens in times of economic hardship. It is important that decisions can be taken by those who are closest to the issues, and the Bill contains important measures to encourage a more diverse range of people to take up civic positions, strengthening local democracy. The Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Hartlepool (Mr. Wright), will address many of those topics in more detail when he winds up the debate.

As I said at the outset, the Government are determined to do whatever is necessary to support families and businesses through the downturn, and to ensure that we invest properly and wisely now for the upturn so that this country comes through stronger, fairer and more competitive—

John Howell (Henley) (Con): I thank the Secretary of State for giving way. It is very generous of him. Will he answer the question posed by my hon. Friend the Member for Havant (Mr. Willetts) earlier? How many students will be worse off as a result of changes to maintenance grants? We would like to know that before he finishes.

Mr. Denham: The hon. Gentleman knows, if he has been listening, that we will invest £100 million a year more than we planned when we announced changes in 2007. Also, significantly more students—we think 40 per cent. rather than 33 per cent. of students—will get the full grant, and all students will receive more grant, up to £50,000 a year household income, than they would have received in 2007. The Opposition should recognise the significant improvement that has taken place in the grants system, compared with that which existed just a few years ago.

I know that others wish to speak in the debate—

Mr. Ellwood: And will ask the same question again.

Mr. Denham: It is not for me as Secretary of State in any way to seek to determine the questions that Opposition Members ask. That may or may not be the case.

The measures that the Government announced in the legislative programme in the Queen's Speech and the measures that they support are in stark contrast with the message that we have had so often in the past few weeks that nothing can be done to help families and businesses at the time that they need Government most.

6.44 pm

Mr. David Willetts (Havant) (Con): Members in all parts of the House who have an interest in skills and training and housing have had an unusual number of changes to the timing of the debate. We all understood the passions of the House on the very different matter that we have just debated. The present debate was originally planned for Thursday, and we are at last having it now, until 11 pm. One of the compensations of holding the debate today is that my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes) was not able to join us on the Front Bench on Thursday. He had a commitment to take part in the Moulton village pantomime in his constituency, "Flinderella", in the starring role of Baron of Boston. We are grateful that he is able to join us after his theatrical triumph last week.

Contrary to the extraordinary straw man so savagely attacked time after time by the Secretary of State, the Opposition fully understand the scale of the crisis facing our country as the economy heads into recession, and we fully understand the need for serious measures to tackle the crisis. The first thing to do is recognise what is going wrong with skills and training in our country. The Secretary of State was far too complacent about that. He spoke, as he so often does, of the extraordinary success in the number of apprenticeships, but the number at level 3—which is what apprenticeships are in many advanced western countries, not level 2; advanced apprenticeships, as they are now called—has been falling in each of the past seven years. The number has fallen from 112,00 to 110,000 to 105,000 and in 2006-07 it was down to 97,000. The Secretary of State failed to engage with the problem that there is a decline in the number of level 3 apprenticeships, compensated for only by an increase in the number of level 2 apprenticeships, which would not even have been called apprenticeships in the past.

Mr. Denham: Does the hon. Gentleman accept that what really matters is the number of people who complete their apprenticeship, and does he accept that the number of people completing a level 3 apprenticeship has at least doubled?

Mr. Willetts: We are talking about the Government's figures for the number of advanced apprentices in training, and that number is going down. The Secretary of State has renamed what in the past were youth training schemes and the youth opportunities programme. They are now called apprenticeships instead, so that he can claim a higher figure. We are entitled to draw attention to the problem with level 3 apprenticeships.

There is also an increase in the number of young people not in education, employment or training. After 10 years of economic growth and billions of pounds spent on the new deal, the number is up by 132,000 compared with five years ago. So we have a decline in the number of advanced apprenticeships, an increase in the number of young NEETs, and for older learners in the past few years we have had a loss of no fewer than 1.4 million adult learning places. Mature workers losing their jobs and perhaps thinking of retraining and taking up a new career need to be able to access those adult learning places.

We have a crisis in our training provision that matches the growing crisis in our economy. Instead of addressing that, the Secretary of State painted a caricature picture of what the Opposition stand for. As for the proposals in the programme put before the House in the Gracious Speech, most of the proposals in the children, skills and learning Bill are simple reorganisation, or to be more accurate, re-disorganisation—yet more change in a skills system that has already seen an enormous amount of change in the past 10 years.

It is worth recording that the Secretary of State praised the achievement of the Learning and Skills Council, which the Government created in 2001, and which they are to abolish. Having created it in 2001 with 47 local learning and skills council branches, they reorganised it in 2003 at a cost of £53 million. In 2005 they reorganised it again at a cost of £35 million. In 2007 they passed the Further Education and Training Act 2007, which formally replaced the 47 local branches with nine regional centres, and now another year on, there is to be legislation abolishing the LSC entirely and replacing it with three other quangos. This is endless reorganisation in the absence of a real strategy for improving the level of skills in our country.

If the Secretary of State will not take it from the Conservatives, he might accept it from someone for whom I suspect both he and I have considerable respect—Chris Humphries, the chief executive of the Commission for Employment and Skills, who produced a report that the Secretary of State himself cited. Chris Humphries said:

"I don't think there is an employer in the land who understands what the new systems are".

When asked by the *Financial Times* how many skills bodies there were in Britain, Mr. Humphries, one of our leading experts on skills, said:

"Honestly, I haven't got the foggiest idea",

but he estimated that there were "many hundreds". Instead of a skills policy, the Government have created an extraordinarily complicated structure that they expect employers and individual learners to navigate in order to access the training that they need, especially in tough times. What we desperately need is simplification; instead, the LSC is being replaced by a multiplicity of other bodies—a skills funding agency, a national apprenticeship service and a young people's learning agency—and there is a new role for local authorities.

The Secretary of State praised incorporation—the new freedoms that we gave to further education colleges in 1992—and I was pleased to hear him do that. I sat on the new corporate body of Havant college for six years and I know how much FE colleges appreciated the new freedoms that we gave them. However, his changes will take away those freedoms by once more putting FE colleges under the control of local authorities, which is not what they want and is not in their interests. What we therefore have from the Secretary of State is a reversal of the changes that he himself praised in his own speech.

What we believe in doing—our approach—is having more training and investment in skills by enabling FE colleges once more to serve their local communities and their local employers as genuine community colleges that are responsive to local employers and stakeholders. That is the right approach, and we believe in a simple funding structure with a body such as the further education funding council allocating funding: a single body allocating funding to FE colleges, not the multiplicity of different local authorities that they will have to deal with—and that is simply for the money going to 16 to 18-year-olds.

When the Secretary of State produced his White Paper earlier this year, he estimated that some FE colleges could be taking students from an area covering 100 different local authorities. That remark was made in his own document. How on earth are they supposed to access funding from so many different agencies? It is going to be a bureaucratic nightmare, and once again it will fall to the Conservatives to sweep away the complexity and bureaucracy and give FE colleges the straightforward, simple funding arrangements that they wish for. *[Interruption.]* The Secretary of State seems to doubt what I said about 100:local authorities; let me find what he said in his own document, "Raising Expectations". He said:

"Colleges in particular can draw from a very wide area—sometimes from over 100 local authorities."

If so, that is why the new funding arrangements will be such a nightmare for them.

I believe that the only reason why the Government are embarking on all this reorganisation is that they accept privately that the Learning and Skills Council and the endless reorganisations have not worked and that their system has failed to deliver. The same is true of their proposals for "time to train", which reflect the failure of Train to Gain. The latter was supposed to achieve results by rewards and incentives and has failed to do so. The Ofsted report, "The impact of Train to Gain on skills in employment", was, it must be said, one of the most critical reports that it has produced on any aspect of our education system. It said of Train to Gain, on which the Government are supposed to be spending more than £1 billion, that

"the survey found little evidence that the programme was driving up the demand for training among employers."

It was clearly failing.

The Ofsted report says the following about the job brokerage service, on which so much of the budget goes:

"On the evidence of the provision surveyed, the brokerage service had a minimal impact on the number of employees starting a Train to Gain programme, or on the number of genuinely 'hard to reach' employers that were participating."

This is Ofsted telling us that Train to Gain has not been working. As a result, there is a serious underspend on Train to Gain. We are proposing not to abolish it but to refocus its budget on what we believe is a priority, especially in these tough times: more funding for apprenticeships, which is the single best thing that we can do to strengthen the skills and training opportunities in our country.

Train to Gain is failing and instead we will have "time to train". We do not oppose the idea of a right for employees to seek the opportunity for more training and we hope that it will succeed, but the Secretary of State must surely accept that concerns are expressed in the documents that his own Department has produced to go alongside the Bill.

Mr. Ellwood: Another fact that the Secretary of State conveniently left out is that the apprenticeship schemes are paid for in full for 16 to 18-year-olds, but as soon as someone reaches 19, the money is split in half, thereby dissuading a lot of people from continuing apprenticeships over the age of 18.

Mr. Willetts: My hon. Friend is right and, contrary to the caricature painted by the Secretary of State, one of our many proposals is to refocus Train to Gain on supporting apprenticeships by ensuring that that completely unacceptable age discrimination is abolished. No longer will people get full funding for an apprenticeship only if they are under 19 and receive 50 per cent. funding after that. We believe—especially in tough times, when there will be people over 19 who, sadly, will lose their jobs, seek a new career or try to get training—that using the Train to Gain budget to support them in their apprenticeship is the single best thing that we could be doing. It is a great pity that the Secretary of State presides over a system that is so clearly biased against anyone over the age 19.

We hope that the proposals for "time to train" will work, but the Secretary of State will doubtless be aware of the comments of the CBI, for example, which is concerned that the impact of "time to train" on employers

"would have to be carefully monitored given the large number of employees who will be eligible to submit requests."

It would be very useful to hear from the Secretary of State about something that he did not cover in his speech: the steps that he will be taking to ensure that employers are not overburdened as a result of the new right that he is proposing to implement. Surely, as a minimum, he needs to make a commitment to this House that he will monitor the effectiveness of this new right, to ensure that it is not coming with a disproportionate burden for employers.

On apprenticeships, we also need to be confident that we can do far better than the Government have done. Their approach in the Queen's Speech has been not to do anything real to encourage apprenticeships, but instead to pass new legal rights. Again, we do not have a problem with people having a legal right to an apprenticeship, but legal rights is not the crucial issue—any more than passing legislation with a commitment to abolishing child poverty by 2020 will, of itself, miraculously solve the problems of poverty. In fact, there seems to be a pattern in this Queen's Speech, whereby the Government pass law requiring virtue and forbidding vice in all the areas where they seem to be making least progress in the real world in achieving their objectives. A report today shows how badly the Government are doing on child poverty, and we are invited to support the aim of abolishing it by 2020. We have clear evidence that they are doing badly on apprenticeships, and we are invited to support a new legal right for an apprenticeship, without any clear evidence of how it is to be achieved.

This seems extremely odd, and I should be grateful if the Secretary of State helped us on this issue. In the draft Apprenticeships Bill—of course, we have yet to see the new combined legislation—there was a proposal that, in order to be an apprentice, one had genuinely to be employed. We Conservatives had been pressing for that, because we think that for most people, an apprenticeship means that they are in employment and receiving training in addition. A lot of damage is done to the brand if large numbers of other training schemes that are not linked to employment in any way can be called apprenticeships. The proposal in the Bill was that any apprenticeship had to be linked to employment. However, we understand that in addition the new legislation will include an entitlement for every young person to have an apprenticeship. If to be in an apprenticeship a person has to be in employment, and if we are passing a law giving everyone an entitlement to an apprenticeship, we will be interested to hear how the Secretary of State believes that the entitlement will be delivered. Ultimately, we are in a free economy in which employers cannot be required by law to take on an apprentice—although, of course, we want many more employers to do so.

Rob Marris: Will the hon. Gentleman give way?

Mr. Willetts: Yes. If in the absence of an intervention from the Secretary of State the hon. Gentleman will help with my inquiry, I will be grateful.

Rob Marris: I can help the hon. Gentleman with the inquiry, with reference to what the Secretary of State set out in his speech. There are two ways in which the entitlement can be delivered. One is through the public sector and the other is through contract compliance.

Mr. Willetts: I am pleased with what the hon. Gentleman has said about the public sector. As he will be aware, in the past year I have tabled many questions trying to identify how many apprenticeships there are across the public sector and in central Government. The figure for the Government was shockingly low: there are 3,431 apprenticeships in central Government—a very tiny figure, especially if we take seriously the extraordinary figures for the total number of apprenticeships that we heard from the Secretary of State earlier. There seem to be 2,581 advanced apprenticeships, which are the only sort of apprenticeship in most other countries. Given that currently there are only around 3,000 apprenticeships across Government, it would be an extraordinary ambition for the public sector to deliver that entitlement, which will apparently be offered to all young people.

I admire the ambition of the hon. Member for Wolverhampton, South-West (Rob Marris), and I hope that we will hear from the Government—we have not this evening; we are still waiting—about what practical measures they will take to achieve the targets. How will they explain the idea that people can have an entitlement to be employed?

Mr. Denham: I shall not repeat the various measures that I set out in my speech. The House will note that the Conservative party has opposed them—particularly the establishment of a dedicated apprenticeship service, which has been recommended as the key necessary organisational focus by a Committee in another place. However, I am perfectly happy to confirm that our view is that an apprenticeship must have a clear link with employment in the workplace. We said that in the apprenticeships review last year, and our intention is that the Bill will define that key characteristic of the apprenticeship.

We accept the challenge involved in meeting the obligation that the young people with the ability, qualification and desire for an apprenticeship should be able to have one. The difference between the Government and the Conservative party is that we believe that it is right to go for such challenges—to set ourselves the target and have the determination to achieve it. We heard again from the hon. Gentleman the voice of despair—"Nothing can be done."

Mr. Willetts: The Secretary of State should understand that we are talking about genuine concerns raised by people in many areas of the British economy about how apprenticeship schemes are developing. I shall quote the House of Lords Committee which he cited earlier:

"Apprenticeship schemes have suffered from too much emphasis on quantity over quality. Completion rates for advanced apprenticeships remain unacceptably low. Progression through the different levels of apprenticeship and on to higher education also needs to be greatly improved."

We want to do better; that is why we have said that we will cut the bureaucratic burdens on employers that currently deter them from taking on apprenticeships. We have said that we will encourage small businesses in particular to take on more apprentices by having more group training associations. We have said that apprenticeships should be a route into higher education and university for young people, who should benefit from them. That is why we have proposed both apprenticeship scholarships—to enable apprentices to go on to university—and the ending of age discrimination in access to apprenticeships.

We want more real apprenticeships. We do not believe that the Secretary of State has credibly explained how the two requirements to be imposed by the legislation—that apprentices have to be employed and that people have a legal right to be an apprentice—can be reconciled in the real world. He has still not explained that puzzle to us.

Kelvin Hopkins (Luton, North) (Lab): Will the hon. Gentleman give way?

Mr. Willetts: I will happily do so.

Kelvin Hopkins: The backbone of apprenticeship provision in the past was the large-scale public sector organisations and large-scale manufacturing industry; as a Government, the hon. Gentleman's party did more than any Government in history to destroy both. Does he not agree that starting to re-establish direct, large-scale employment in the public sector would help provide apprenticeships?

Mr. Willetts: I absolutely wish to see more apprenticeships across the public sector. One of the reasons why I tabled the parliamentary questions that showed how few apprenticeships there were across central Government was to try to get the Government to do something about the scandal of how low that level is.

Let me repeat again for the benefit of the Secretary of State and the hon. Member for Luton, North (Kelvin Hopkins) that we want more people of all ages to be in apprenticeships. We have practical proposals to increase the number of people in apprenticeships; what we have from the Secretary of State is rhetoric without any explanation of how he will achieve the ambitious targets and legal requirements that he proposes. That is the history of his party's approach to apprenticeships—an endless stream of ambitious targets, none of which is ever met. They are not met because the Government have not made the practical proposals that we have made to ensure that they are spread. That is the problem that the Secretary of State's proposals face.

I turn briefly to the subject of universities, about which the Secretary of State spoke. The Government have failed to achieve their apprenticeship targets, the Learning and Skills Council has failed and Train to Gain has failed. On top of all that, this is the last Session before the Government face the truth of their failure to achieve their target for university participation, which, we should recall, was that 50 per cent. of young people should participate in university education by 2010.

Bob Spink: Is the Opposition's policy on universities to continue investment and support in large-scale, longer-term research projects such as the large hadron collider, particle physics research and, of course, cutting-edge medical research?

Mr. Willetts: It is. Like the Secretary of State, I had the excitement of being at the event in central London on the morning when the large hadron collider was turned on. I much regret the fact that, shortly after, it was turned off; we hope that it will eventually be turned on again. The reasons for the malfunctioning of the large hadron collider merit a debate in their own right. I was concerned when one of the scientists at the opening of the collider said that one problem had been that one of the people constructing it appeared to have left a can of lager in the central tube, and that that had distorted the signal. Whatever the reason, we believe in those projects, which are an important part of the scientific research carried out in our nation. That is why the former Prime Minister, Baroness Thatcher, was so right to take the decision that we should back that programme.

I turn back to the subject of universities. The Government target was that 50 per cent. of young people should go to university by 2010. Progress towards achieving that target has barely moved upwards since it was set; the figure has been stuck at about 40 per cent. for the past seven years, and between 2005 and 2006 it actually fell. That is another example of the phenomenon of the Government announcing an ambitious target and failing to meet it. I suppose that we should be relieved that at least they did not propose a law that said that everybody should have an absolute entitlement to go to university, even as the Government moved further and further away from their target.

There are many reasons for the Government's failure to achieve the target. As the Secretary of State knows, one of my particular concerns is the extraordinary gap that has opened up between male and female participation

in higher education. It is great that 45 per cent. of young women now go to university, but the fact that only 35 per cent. of young men do so tells us that our education system has a serious problem of male under-achievement.

The Secretary of State disappointed me when the only factual question that we asked in this Chamber about his proposals on maintenance grant, which was repeated so skilfully by my hon. Friend the Member for Henley (John Howell), did not get a straightforward answer. It is a very simple question. I have to ask Labour Members this: do they believe that if the answer was in any way encouraging it is possible that we might have heard it instead of the endless evasions and contortions of the Secretary of State? I wrote to him in advance, trying to explain that I would be grateful to receive an answer on behalf of many tens of thousands of families.

In 2007, one of the first acts of the new Prime Minister and the new Secretary of State was to announce a new regime for maintenance grant that applies in 2008. Only a month ago, the Secretary of State announced that he was changing the 2008 regime to apply a different regime for 2009, which will clearly be far less generous because many fewer students will get their maintenance grants than would have done had the 2008 regime continued. Universities will now have three different maintenance grant regimes for students who went up in 2007, in 2008 and in 2009. Only this Government could achieve that, but that is what we are going to have. Young people from tens of thousands of families who had already applied to university are entitled to know how they will be affected by these changes, and we are entitled to know how many fewer students will receive maintenance grant in 2009 than would have received it in 2008. Unlike the intervention by the hon. Member for Castle Point (Bob Spink), this is not rocket science. It is a straightforward question: how many people, comparing the 2009 and 2008 regimes, will not be getting maintenance grant?

Stephen Williams (Bristol, West) (LD): Will the hon. Gentleman give way?

Mr. Willetts: If the hon. Gentleman is going to assist with our inquiries, as they say so often around this House nowadays, then yes, why not?

Stephen Williams: I thank the hon. Gentleman for giving way, although he may regret it. He said that only this Government—I share his criticism of what they have done—could have changed the student grant regimes in such a way. I was a student when the Conservative party was in power, when the grant was reduced every year and benefits were withdrawn. During my three years at university, the regime was different each year.

Mr. Willetts: I am full of sympathy for the hon. Gentleman. The world has changed since then, and many more young people are going to university. We celebrate that fact. Of course, the number of young people going to university surged during the years when we were in government.

The hon. Gentleman's intervention was not as helpful as I had hoped, because he diverted me from my line of inquiry. Not only Conservative Members but families throughout the country are entitled to know how many fewer young people will get maintenance grant in 2009 than in 2008. We believe that about 40,000 students will no longer get any grant at all compared with the 2008 regime, but we also need to know how many will have a reduction in their grant but still get some of it. There are various estimates going around. We have tried to work it out with the limited resources of Opposition, using the information that is already publicly available. The Secretary of State set out the detail of how the taper is going to work, and we have the provisional figures for the Student Loans Company. It is possible that a further 80,000 students or more, adding up to 120,000 per year, will lose out compared with the previous regime, which over the three years as we get up to a full complement of students means that 360,000 students will lose maintenance grant compared with the 2008 regime.

If the number is as great as that, it is hard to see how it is possible that two thirds of students will still receive a grant. One of the things that surprised me about the Secretary of State's remarks was that he implied that he still believes that that will happen. On our calculations, that seems most unlikely—we believe that the proportion could be significantly lower under the new regime. Regardless of what one thinks about the announcement that the Government made in 2007 and the financial crisis that they have faced since, surely Members in all parts of the House are entitled to an answer to this simple question, which the Secretary of State seems to have a phobia about answering and has yet again failed to answer. Every time that happens, it confirms our suspicions that large numbers of families are losing out compared with the regime that he proudly announced in his first week as Secretary of State. We should all expect as a minimum that he comes clean on that.

What we have in the Government's proposals in the Queen's Speech is not reform but change—endless change on the previous structures that the Government themselves put in place. We have seen the failure to achieve more real apprenticeships linked to employers at level 3; the failure of Train to Gain, which should be refocused to provide more financial support for apprenticeships; and the failure to achieve the Government's targets for participation in higher education. That is why Conservative Members have no confidence in this Government's ability to achieve the improvement in skills, education and training that the country so clearly needs as we head into what could be a very severe recession.

7.16 pm

Dr. Brian Iddon (Bolton, South-East) (Lab): Thank you for calling me to speak in this debate, Mr. Deputy Speaker. It is a pleasure to participate under your leadership.

I want to refer to two Bills in the Queen's Speech. I very much welcome the marine and coastal access Bill, which is long overdue. The former Select Committee on Science and Technology published an important report called "Investigating the Oceans", and I hope that some of its recommendations can be taken into account in that legislation. One of our strong recommendations, which the Government have so far rejected, was the establishment of a marine science agency to replace the Inter-Agency Committee on Marine Science and Technology, which does not have many powers and which, we felt, lacks a lot of clout. At the moment, marine policy, for example that on fisheries or shipping,

[Dr. Brian Iddon]

is conducted in silos, but we felt that all marine policy should be pulled together under one controlling organisation. Looking at the report retrospectively, I still believe that, and I ask the Secretary of State and his Department to reconsider that recommendation.

The Innovation, Universities, Science and Skills Committee has scrutinised the draft apprenticeships Bill, and our report was published late last week. I hope that it will be helpful to Members who serve on the Public Bill Committee.

The speech by the shadow Secretary of State was extremely negative. Of course, his function is to try to attack the Labour Government, but I recall when I was in a university trying to teach—I say "trying" deliberately—under a Conservative Government, and it was jolly difficult. I have spoken about this before, and I do not want to labour the point again, but at that time there was a huge brain drain. It is right and proper that our new graduate and postgraduate students should go abroad for postgraduate and post-doctoral studies to find out what is going on in the rest of the world, but in the hope that many of them then bring back the new skills gained in other countries, particularly America, Japan and Germany, to apply them in this country. At that time, under a Conservative Government, the huge brain drain was one way. People went across the pond to America, largely, and stayed there; many of them are still there. It is good that under the Labour Government we have attracted a substantial number of them back again, and far fewer have joined the brain drain in that direction. In fact, it is nice to see Americans coming over and joining British research groups for a change, particularly in subjects such as stem cell research. Under the Tories, things got so bad that a membership organisation was established called Save British Science, and people joined it in overwhelming numbers and campaigned to try to do just that. However, the only thing that saved British science was a change of Government in 1997. That organisation, which changed its name under the Labour Government, is now called CASE—the Campaign for Science and Engineering—and is much less militant than it was under the Conservatives. Indeed, it gives helpful advice to the Labour Government.

Mr. Willis: Vote Labour!

Dr. Iddon: That'll be the day, when they get the hon. Member for Harrogate and Knaresborough (Mr. Willis) to vote Labour. I am still trying.

The best thing that has happened under the Labour Government is that the funding for science, and for STEM subjects—science, technology, engineering and maths—will have doubled in real terms by the end of the comprehensive spending review, taking inflation into account. That is a staggering success.

Mr. Edward Timpson (Crewe and Nantwich) (Con): I recall that it was not that many months ago that we had a lively discussion about the future of business in the north-west, and I am enjoying listening to the hon. Gentleman's reminiscence about the Conservative Administration. Does he also recall that during the mid-1980s, there were more people on apprenticeships than there are today under a Labour Government?

Dr. Iddon: My hon. Friend the Member for Luton, North (Kelvin Hopkins) was spot on when he said that the Conservatives wrecked apprenticeships. It might have been the case that there were some when the Conservatives came in, but when they left power, there were hardly any.

Bob Spink: I thank the hon. Gentleman for giving way; he is one of the most respected Members in this House. Could I drag him away from the negative to the positive, because I was a member of the Conservative team that did the things he describes in education, and in science in particular? Would he share with the House his ideas for enthusing children and for encouraging youngsters to get more involved in science and the STEM subjects today?

Dr. Iddon: I am hoping to come to that later on in my speech, if the hon. Gentleman is still here.

Although the amount of science funding has doubled, in terms of the percentage of gross domestic product, the level of funding is still only half that spent in America. We have crept up closer to many of our European partners, but the Government need to spend even more money on research and development, particularly at a time when we are entering a recession. I believe that the Government have recognised that fact, and that they will introduce a further funding increase after the comprehensive spending review. We are now ahead of Japan in terms of metrics, which is an astonishing success. We are second in the world when it comes to innovation in our universities, however we measure it—be it the quality of publications, the number of publications or citations of publications. We are doing extremely well.

I want to refer briefly to the Select Committee on Innovation, Universities, Science and Skills. The word "science" is included in the name of the Committee, but, sadly, we have not yet got the Secretary of State to add it to the title of the Department, but we are still working on him. The former Select Committee on Science and Technology was able to carry out cross-cutting inquiries across agencies and Departments. We have had a debate on such inquiries before, and I shall not labour the point this evening, but we did some detailed work in that Committee under the two Chairmen in post when I was a member of it. However, the remit of the Select Committee on Innovation, Universities, Science and Skills is too broad because although there are many matters that we would like to investigate, for example, the regional development agencies and role of departmental chief scientific advisers, it is clear that we will not get round to them.

Whereas the Science and Technology Committee largely met on Wednesday mornings, and occasionally on Monday afternoons, the volume of work forces the DIUS Committee to meet on Wednesday mornings and regularly on Monday afternoons, which is putting extreme pressure on Committee members. Membership of the Committee includes those who represent the education side of the debate and those from the science and technology side, which causes tensions in the Committee. I still believe that a cross-cutting science and technology Select Committee would be better, and that education and skills would be better dealt with separately.

The excuse for not continuing with the Science and Technology Committee last year was that we could not stand the pressure of setting up another Select Committee. But we have just set up regional Select Committees, and we have set up another departmental Select Committee in the shape of the Select Committee on Energy and Climate Change. I favour a separate Department for Energy and Climate Change, but the work of Members has increased, and I cannot see why such an excuse was used last year when it was decided not to continue with the cross-cutting Science and Technology Committee.

On Friday, I was at the life sciences department of Manchester university. I am paired with a member of that university through the excellent Royal Society pairing scheme, as are many other hon. Friends and Members of the Opposition; it is an excellent scheme. When I went to the campus of the university, and cast my mind back to 1997 to compare and contrast with how things were, I found that there was no comparison. There are a large number of new buildings on the Manchester university site, and that is not just the case for that university, but for Durham, Hull and my university in Bolton. Every university has erected a tremendous number of new buildings, and carried out a lot of refurbishment of existing buildings, particularly the laboratories, which desperately needed refurbishing. We have had joint infrastructure fund money and science research investment fund money and that funding shows on a visit to a technology or science department in universities.

It is my impression that younger academics, and some of the middle-management academics, do not yet appreciate what I call the tectonic plate shifts that have occurred in our science, engineering and technology policy in the past 12 months or so. First, we have established three new institutes. In a good move, the Office for Strategic Co-ordination of Health Research has rightly brought together the research carried out by the Medical Research Council and the national health service. The Energy Technologies Institute was created for obvious reasons, and we now have the Technology Strategy Board because we have not been very good at translating our superb innovations into reality as products for export. I shall come back to that point shortly.

There has been a shift from the physical sciences towards the Medical Research Council and the Biotechnology and Biological Sciences Research Council, too, which some physical scientists are complaining about. The universities received the full economic costs of the research grants—FEC—and that is now at a level of 90 per cent, which is also welcome. Under the previous Administration, there was no money to support well-founded laboratories. When visiting laboratories today, I can see where the money has been invested. The Government have rightly created postgraduate training centres and set up six grand challenges on energy, living with environmental change, global threats to security, ageing, the digital economy and nanoscience through engineering to application.

All those extra creations have come into being during an 18-month period and, although extra money has been given to the science budget, unfortunately pressure has been put on programme grants and responsive mode grants. Members of the DIUS Committee have received a lot of criticism because young academics cannot get research grants to get their programmes off the ground. The only way to conduct research is either for them to do it with their own hands, or do what my generation did—work with a professor. That would not give those young academics much independence.

In the case of the Engineering and Physical Sciences Research Council, fewer than 10 per cent. of the alpha-funded grant bids are funded. The frustration can be felt; I felt it when going round Manchester university on Friday. I am going to Liverpool next week, and I visited Bolton university a few weeks ago. People have ideas, but they are really frustrated that they cannot get responsive mode funding from any of the research councils, except perhaps the Medical Research Council or the Biotechnology and Biological Sciences Research Council, to carry out that vital blue-sky research. We ignore such research at our peril, because the people doing the big programmes—such programmes are necessary and I support them—will have no young scientists if young scientists cannot start on independent research in universities that are perhaps not part of the Russell group.

Rob Marris: I agree with my hon. Friend. I am a great supporter of pure science, in contradistinction to applied science, although sometimes they overlap, owing to the passage of time. Does he agree that a university should have significant research capabilities? Otherwise, it is simply a college—worth while as that is, a university without research is not a university. Does he also agree that in the next round of research funding allocations, the Government might want to consider pooling expertise among institutions, to enable them to have access to that research funding, even if they are not Russell group universities, such as the university of Wolverhampton, which is the most accessible mainstream university in the country that is not part of the Russell group?

Dr. Iddon: I agree entirely with my hon. Friend.

What the Government are worried about—hon. Members in all parts of the Chamber should be worried, too—is this: if we double the amount of money from the Government, not to mention from industry, going into research and development, we would expect to see outcomes now, after 10 years of extra funding. I have warned the academics several times that the Government are looking for outcomes, but there is a problem. The innovation and the R and D in our universities are as good as any in the world. The big difficulty is getting the products through the spin-out companies, but we are doing better than ever on that. I have never seen so many spin-out companies, so many incubators and science parks dotted around our universities or so many clusters of companies feeding into them, but still we do not see the volume of outcomes that the Government perhaps expect.

However, the academics wanted me to remind the House today that it takes 10 or even up to 30 years for a brilliant invention such as DNA fingerprinting—that is just one example that flies off the top of my head—to become a reality that is useful for society. That cannot be done in 10 years, the academics tell me; it will take far longer than that. Perhaps we are therefore being over-anxious about that aspect of our work. The Sainsbury review, by Lord Sainsbury, flagged up those issues for us.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I am listening to the hon. Gentleman carefully and agree with much of what he says. Does he recognise that the problem is often not so much the fact that there are

[Dr. Evan Harris]

spin-out companies, but the difficulty that smaller companies face in getting the next stage of investment funding to bring their products closer to market? That is what high-tech and biotech companies in my constituency are saying. With the current squeeze on big pharma, smaller biotech companies are finding it much harder to get licensing agreements from pharmaceutical companies, which is part of the same problem of moving to the next stage.

Dr. Iddon: I am glad that the hon. Gentleman mentions that, because if he had read the business supplement of *The Observer* yesterday, as I did, he would know that the Government have just put in place a fund of £1 billion in extra money to do exactly what he thinks should be done. The article said:

"The plan, conceived by the National Endowment for Science, Technology and the Arts (Nesta), was fleshed out in discussions at Downing Street"

only last Thursday at which the noble Lords Drayson and Sainsbury were present. The announcement was made pretty soon after that. The scheme will mean the

"doubling of government funding for scientific research at universities, which has led to an increased number of spin-outs,"

as I have mentioned,

"in IT, biotech, nanotech and green technologies".

That must be good news. I do not know whether it has percolated through yet, but it means £1 billion of extra money. The difficulty, as the hon. Gentleman knows, is that there is a deep valley between innovation and product called death valley. The venture capitalists are not putting in the money necessary to get across that valley, but the money that the Government are putting in will help.

Mr. Willis: Like my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris), I am listening carefully to the hon. Gentleman. Will he confirm that the money that was announced in *The Observer*, rather than in the House, was announced in *The Observer* because it is not new money at all? It is just existing money that has been recycled, unless the Secretary of State can contradict me.

Dr. Iddon: I am sure that we will hear the truth of that argument when this debate is summed up. Nevertheless, £1 billion is going all to help turn our excellent inventions into useful products for society.

At long last we have a new President in America, thank goodness. President-elect Obama, who takes control on 20 January, has already announced increases in the science budget for American universities and industry. He has also announced that stem cell research will be funded federally. However, if we squeeze our young academics in the way that I have described, the brain drain might kick off again. I do not want that to happen. We must encourage our young scientists to stay here and continue their good work.

Dr. Gibson: Does my hon. Friend agree that there has been a brain drain into Canary Wharf, too? Many young scientists found that the financial industry was the place to go to get the money and the lives that they wanted; but now, with the financial industry suffering somewhat, there is a reversal of that process. People are beginning to teach and to bring science into schools, so out of a recession good things can happen.

Dr. Iddon: My hon. Friend is right. In fact, one of our Ministers was telling me the other day that we have the best cohort of young teachers in training now that we have had in generations, which must be good for schools. We have excellent teachers in schools already, and when those in training replace the ones who will shortly retire, I am sure that we will continue to have excellent teaching in our schools.

Let me turn to another problem that I want to flag up, which has been raised by the Million+ think tank. Research and development funding is becoming more elite. Larger grants are going to smaller numbers of the more elite universities, which are largely in the Russell group. Million+ and others in the academic community are arguing—I refer to what my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) said about how universities should be doing research—that universities that are not in the top flight, namely the Russell group, are finding it more and more difficult to secure such funding. Million+ has recommended that a sum of money be set aside so that vital work that might not be of international standing, but which is certainly of national standing, can be done in those universities and has suggested a figure of around 10 per cent.

My right hon. Friend the Secretary of State seems to think that the Million+ group is asking for 10 per cent. to be creamed off the current quality-related funding, but it is not asking for that. Million+ has recognised that there have been substantial year-on-year increases in QR funding. It is asking whether 10 per cent. of those substantial increases, not 10 per cent. of the existing money, could be put into those universities that are not so fortunate in winning QR funding. Let me say straight away that Million+ does not want that money for non-quality work, but for quality work of national standing, instead of international standing.

My university—Bolton university—suffers in that respect. It used to do a lot of work with local industry. Local industry could pay for the contract work that it asked the university to do on its behalf, but if the research groups are not there, that research will not happen. I visited the fire materials group at Bolton university a few days ago. The fire materials group is a centre of excellence for research into flame-retardant materials, fires in households and other vital areas of that kind. Hon. Members will not find many other universities that are researching every aspect of fire in that way. Such specialist work is being undertaken in Wolverhampton, Chester and Bolton. We ignore it at our peril, because if neither industry nor and central Government fund it, those small specialist groups will disappear and we will be the losers, not the gainers.

Rob Marris: My hon. Friend is very generous in giving way. The university of Wolverhampton is a large university and one of the top 10 in terms of numbers of students. However, the QR funding that it receives—its research is judged to be of national importance, not international importance—is some £200,000 a year. Fifteen miles down the road, the university of Birmingham—a smaller university, but a Russell group university—receives tens of millions of pounds a year. Wolverhampton

university is not saying that we should take that money away from Birmingham; it is saying—and I agree—that the imbalance is a little too great.

Dr. Iddon: Yet again, I entirely agree with my hon. Friend.

The Select Committee has recently returned from China and Japan, and I would like to refer to something that particularly impressed me. As I have already said, the Technology Strategy Board will hopefully transfer invention into useful products for society, but in Japan there was a different model that we looked at. It was called an innovation hub, but its authentic title is the National Institute of Advanced Industrial Science and Technology—AIST for short. I have not seen anything quite like it anywhere else in the world. For example, Japan's large electronic companies—we all know the names from our Sanyo or Toshiba televisions and so forth—all come together in this institute after a new invention has been made that might benefit the whole world, not just Japanese society. The companies put in their own money to supplement the Japanese Government money in order to explore the new invention and find out whether it may result in any commercial products. At the point when these companies believe that some commercial products can be developed, they of course break out of this institute and go back to their own research bodies, subsequently using the research that they all pooled together in order to bring commercial products forward for the market. I say to the Secretary of State that I think that that model is really worth looking into, especially if he has not come across it before.

My final plea is not to prevent international students from coming to Britain. Apparently, we have backed out of the European blue card scheme in order to bring in our own points-based immigration scheme, which will affect students as it will affect others coming into this country to study, do research or work. I refer to the CASE policy report on the role of international students in British universities. If we allow them to stay, many will go on to do some superb work. The report makes some very good recommendations about how to attract foreign students to study and do research and development work in British universities and how to get them to stay here in order to help British industry and commerce develop its exports. I hope that the Secretary of State will take some of those points into account.

7.42 pm

Sarah Teather (Brent, East) (LD): The rules of the House dictate that Liberal Democrats get just one Front-Bench contribution during the day's debate on the Gracious Speech. Bearing that in mind, and given current economic circumstances, we felt that housing was the most pressing of the three important issues grouped together for debate today. That is why I, as the Liberal Democrat spokesperson for housing, am speaking on behalf of my colleagues—it is not just because I miss debating with the Secretary of State for Innovation, Universities and Skills and the hon. Member for Havant (Mr. Willetts). I have say, however, that, a year on, it does not seem that the debate has moved on a great deal—*[Interruption.]* I am making no comment on that, but explaining why I—rather than my hon. Friend the Member for Bristol, West (Stephen Williams), who shadows the Secretary of State for Innovation, Universities and Skills—am responding to the debate.

I am relieved to note that the hon. Member for South Holland and The Deepings (Mr. Hayes) was in his place for the opening speeches, despite his pantomime—*[Interruption.]* There is obviously a comic genius on the Government Front Bench. It is a little odd that the Conservative housing spokesperson is not in his place today, especially when I thought that the Conservatives had actually chosen the particular days for these debates. I know that they have been changed, but it seems a little strange. I do not know whether the Conservative Whips fail to communicate well with their own Members or whether this subject has just dropped down the priority list during the week.

The housing crisis in this country is not new and it is not merely a product of the recession. Waiting lists for affordable housing to rent have been rising steadily over the last decade in which Labour has been in power and now stand at around 1.7 million families. In common with those of most other Members, my advice surgeries are filled with desperate families struggling to get decent accommodation they can afford. There are families suffering overcrowding and families whose children have nowhere to play, let alone do their homework; there are families whose children are sharing the parent's bed because another sibling is already sleeping on the sofa; there are families for whom overcrowding is causing condensation, which has led in turn to mould so that the children all have asthma—or, even worse, the whole family has tuberculosis. That may sound like Victorian Britain, but it is happening in new Labour Britain today. This problem is not new; it is just getting worse.

About 90,000 children live in temporary accommodation in England, and two thirds of those live in London. In some boroughs such as Haringey, one in seven children live in temporary accommodation; in Brent, the comparable figure is one in 10. One of my constituents, who is almost my age, has spent her entire life in temporary accommodation. She was born into temporary accommodation and is now raising her own children in temporary accommodation; the repeated moves and long-term uncertainty have blighted a whole generation.

This country's housing crisis has been and continues to be about supply and demand, and it affects everyone in the chain: it prices homes out of reach for first-time buyers, it prices renting out of reach even for some families on average earnings, and it puts huge downward pressure on those at the bottom of the earnings table who are forced to queue hopelessly for social housing. What is new is the impact of the recession on those who were previously secure in their homes: families who could afford to pay the rent but who, now out of work, find themselves looking for emergency help from their council; and families owning their own property whose circumstances changed so that they find themselves falling behind with their mortgage payments.

Julia Goldsworthy (Falmouth and Camborne) (LD): My hon. Friend raises a very important point about rents. Is she not surprised that while the Government have gone to great lengths to declare their desire to assist people who are struggling to pay their mortgage, they have forgotten the need to provide similar support to people who lose their jobs and can no longer afford to pay their rent?

Sarah Teather: My hon. Friend is absolutely right. Part of the problem with the current housing allowance system is that it often slow to kick in. I certainly see constituents in that difficult position and I would be very surprised if other hon. Members across the country did not see it, too. It takes a long time to kick in and a long time to be administered, particularly if there are any subsequent changes in circumstances.

As my hon. Friend said, there has been considerable debate about what to do when people lose their jobs or become sick, but many people who own their own homes may find themselves in difficulty just as easily if they finish their fixed rate mortgage period and find they cannot move to a cheaper deal because they are now in negative equity or because they have inadequate equity in their property for the new climate of lending. The immediate and pressing danger is that we will see many more families seeking emergency help, which will be a disaster for them, and near impossible for councils to manage.

The Council of Mortgage Lenders has predicted that repossessions may rise to 75,000 next year—a figure that my hon. Friend the Member for Twickenham (Dr. Cable) predicted some time ago. The Government have taken positive steps in trying to head off large-scale repossessions, but there is a great deal more concrete work that they should do in this area.

On the surface, last week's announcements on interest holidays were very positive, but as always with such headline grabbers, the devil will be in the detail. The Minister for Housing, who is not in her place today, has suggested that just 9,000 families may be eligible for this scheme—*[Interruption.]* I see, of course, that the Under-Secretary of State for Communities and Local Government, the hon. Member for Hartlepool (Mr. Wright), who shares responsibility for housing, is in his place. There are so many Ministers, but so few names that we are allowed to name in the House!

As I was saying, just 9,000 families may be eligible for the scheme, making it a drop in the ocean in the bigger picture of repossessions, and it will leave 66,000 families out in the cold. Similarly, it is not yet clear what the criteria for eligibility will be. Will families need to be in receipt of benefits to be eligible? Will it apply only to mortgages or will it also apply to second charges? Will the same rules apply to families with two earners as with the income support for mortgage interest scheme, where if the main earner loses their job the family is ineligible to claim if the other partner earns anything at all, even if they just work part-time and earn very little? We certainly know that the scheme will not apply to those whose mortgages are not with the main eight lenders, meaning that around one in three mortgage holders are not eligible.

I expect the Government to respond by saying that this is what the pre-action protocol is for, but while all of the sentiment in the pre-action protocol is welcome, as is the stipulation that it must apply to all lenders, it is not clear who will be policing the protocol. It does not give the courts powers, for example, to throw out a case if lenders have not followed the protocol, or to issue a fine.

If the Government want to give the courts teeth to enforce good practice on repossessions, they will have to be prepared to update our outdated mortgage law. It baffles me that they are unwilling to do so, and they had a prime opportunity in the Banking Bill in the previous Session. My colleagues tabled amendments to that effect, which the Government rejected. The Government also had a perfect opportunity in last week's Gracious Speech. Again, they chose not to take it. Mortgage law is mired in its common law origins in the 18th and 19th centuries. It is based on the mortgage contract, so it is weighted in favour of the lender, giving the courts only limited powers to intervene. If the Government want to give courts powers to intervene, they will have to legislate to make that possible. Surely now is the perfect time to drag mortgage law into the 21st century.

It is unacceptable that lenders have the right to sell a property over a borrower's head without first going through the courts, for example. Certainly, there have been times when that has happened. In a classic case earlier this year, known as the Horsham case, the lender exercised its power of sale with the borrower still in possession. The new owner then brought proceedings to evict the borrower as a trespasser, and the borrower has lost any claim to equity as a result. The case appeared to give the green light to lenders to circumvent the courts' powers altogether by exercising power of sale. Foreclosure, although little used, is still available. It enables a lender to obtain an order for possession, but in doing so extinguishes the borrower's equity of redemption, so that the lender keeps the entire proceeds of the sale. It is hard to justify that remedy having any place in modern mortgage law.

Mr. Jim McGovern (Dundee, West) (Lab): Does the hon. Lady acknowledge the recent work done by the Prime Minister and Chancellor to encourage banks to be more sympathetic and flexible towards home owners before considering repossession?

Sarah Teather: As I said a moment ago—I heard a lot of talking to my left, so it is possible that the hon. Gentleman could not hear me—unfortunately, although there is much good sentiment in the Government's proposals, there is no enforcement power for the courts or possibility of policing them. The courts cannot throw out cases if a lender does not follow the protocol, or issue a fine. Although I welcome everything in the pre-action protocol, some of it needs to be put on a statutory footing if it is to have any teeth. I do not disagree with the sentiment, but there are more practical ways of achieving the aim.

I would like the Government to legislate for the following: to require a lender that wishes to enforce its security to do so only through the courts; to give the court a general discretion in mortgage cases to make orders that are just, according to the case; to restrict lenders' statutory and contractual power of sale by making it subject to the requirement to obtain an order of the court; and to abolish the common law remedy of foreclosure. I hope that the Minister will say why the Government have so far refused to do that.

I am also disappointed that the Government have not taken immediate action to regulate the private sale-and-rent-back market, to which many vulnerable people are already falling prey. The Minister for Housing has called such practices unscrupulous and promised to tackle them, but no plans have been forthcoming. I would like those practices to be brought under Financial Services Authority regulation. When will the Government

do so? Similarly, the Government have promised to put in place a public scheme to allow people to downscale their investment in their property and move towards shared ownership, but no details have yet been forthcoming.

I am also disappointed that the Government have not taken advantage of the current economic downturn to plan sensibly for the future. The recession has opportunities as well as threats, and we have a duty to make the best of current circumstances. I would like to have seen more money front-loaded from the comprehensive spending review for housing associations and councils to buy up land and appropriate housing now, while land and property is cheaper, so that we can tackle the long-term problems of access to affordable housing. In the short term, greater flexibility might be needed in some areas about how much subsidy is available for each unit. Housing associations say that building social housing has dried up; they can no longer proceed with projects that rely on cross-subsidy from private sales. Similarly, councils rely on section 106 money from private developments for their own social building programmes, and those too have all but dried up in many areas. We cannot allow all social housing building to grind to a halt, because the consequences will last a generation.

Dr. Evan Harris: I endorse strongly my hon. Friend's comments. There is the potential for a win-win-win if the Government provide the resources to allow councils and housing associations to build even small schemes, or buy houses on the open market. That will provide homes for those in housing need and enable people in the construction industry to carry on working and not fall into housing need themselves. Will the Government do something about that urgently? *[Interruption.]*

Sarah Teather: The Under-Secretary of State for Communities and Local Government, the hon. Member for Hartlepool, says from a sedentary position that the Government have done something. They have announced some money, but we are asking for greater front-loading. They have not freed up councils to borrow so that they can build. The money continues to go through housing associations, so councils, which must pick up the pieces when everything falls apart, have little power to address the problem. If they are to be able to borrow to build, the Government need to make changes to the stability of their income. They need to end the process whereby one council tenant in one area subsidies a council tenant a long way away in another borough. The subsidy should come from general taxation, so that councils can be sure of their income and of right-to-buy capital housing receipts. That would enable them to borrow in the same way as housing associations.

Rob Marris: I agree with many of the hon. Lady's comments in this part of her speech. Is she aware that, a few months ago, the Government could have bought a major house builder for £2 billion? That house builder had 110,000 building plots, which works out at about £26,000 per building plot—the prices are probably lower now. We could have done exactly what the hon. Member for Oxford, West and Abingdon (Dr. Harris) said, and put unemployed construction workers to work, and build housing, of which the United Kingdom has a huge, and worsening, shortage.

Sarah Teather: I entirely agree with the hon. Gentleman. We will see many developments that are not completed and that lie empty, especially flats. One of the problems for housing associations is that the Government wimped out of producing the same regulations for private property as for social housing for rent. If those regulations were much more closely aligned, councils and housing associations could buy up many more of those properties, which could be used to house many more vulnerable people. The Government could still do that in relation to land, and the hon. Gentleman's point about the construction industry is important. If we lose the opportunity, and the construction industry takes a deep hit, skills will be lost, career paths will be changed, and it will take a decade to get plans back on track after the recession is over.

I am disappointed that instead of announcing a costly VAT cut, which will make little difference to anybody buying anything less expensive than an imported flat-screen television, the Government did not equalise VAT on new build and renovation. That would make a genuine difference to properties lying empty in this country. At a time of recession, we will see many more empty properties blighting streets and neighbourhoods, and yet more families with nowhere to live. The Government could deliver a practical solution.

Last week's Queen's Speech failed to mention housing once. The Prime Minister's response was long on headlines but as yet is still short on detail. Unfortunately, that is typical of much of the Government's response to housing. They have said much, and promised more, but little so far has been forthcoming. By the end of next year, 75,000 families may be repossessed; 1.7 million families are waiting for social housing; one in 10 of the children in my constituency are in temporary accommodation. The Queen's Speech was a wasted opportunity. My constituents cannot wait while the Government promise to act. The Government need to act now.

7.58 pm

Lindsay Roy (Glenrothes) (Lab): It is a great privilege to have been elected to this Chamber and to have the opportunity this evening to make my maiden speech.

The traditions of this Chamber bring many benefits—I am told that this is a prime education forum. Had I been making an address in another educational context, Members would have been subjected to the obligatory PowerPoint presentation, sometimes described as an overhead on steroids. The four weeks since the by-election have been frenetic—"whirlwind" would be a euphemistic term to describe my induction. I thank many Members, across parties, for their camaraderie, forbearance and directions on meeting a lost soul around the parliamentary estate. Not once have I been directed to the wrong Lobby—yet.

During the campaign, I was asked how a novice would cope in Parliament. I assured the questioner that I had no aspirations to become Leader of the Opposition, seeking to lead the country—and that, as a head teacher, if I could cope with 1,500 boisterous youngsters, I could surely survive here. That was, of course, before my first experience of Prime Minister's Question Time.

I plan to contribute directly to this interesting debate in due course, but first, in line with tradition, I wish to refer to my predecessor in the House, the late John

[Lindsay Roy]

MacDougall. That is particularly appropriate and particularly poignant, because today, as we remember John, would have been his 61st birthday.

John was a first-class constituency Member who earned respect in all the communities in central Fife. He was a man of integrity, a man of compassion and a man of good humour, who had high aspirations for his constituency. He believed that education was a personal engine for development. Indeed, as leader of Fife council he introduced universal nursery education for four-year-olds long before other parts of the United Kingdom. He lobbied hard to secure investment in skills for the world of work beyond school and for work-force training, a theme to which I shall return later. He also championed the interests of the elderly in our communities, liberating senior citizens in enabling them to access public transport at no personal cost.

John successfully led a campaign against the break-up of the ancient kingdom of Fife during local government reorganisation, recognising the dividends of a united kingdom. He enthused about the benefit that accrued to this constituency, and to Scotland, through its remaining an integral part of the United Kingdom. Indeed, as a passionate and patriotic Scot, he emphasised that the saltire was not the sole preserve of one political party. The Scottish National party has a tendency to claim it as its own, but he reminded Scots regularly, as I do—no heckling!—that it belongs to all Scots, the vast majority of whom have no appetite for separation.

However, it is at times like this that we must remember that there are more important things than politics. John's life was tragically cut short by an asbestos-related lung condition, mesothelioma.

Sadly, John has not been alone in suffering from industry-related diseases in the constituency. In 2006, in his maiden speech, the hon. Member for Dunfermline and West Fife (Willie Rennie) warned of a national mesothelioma hot spot. Working conditions in the mines and the dockyards have had a devastating impact on many lives in our constituencies.It is to the great credit of this Government that compensation schemes have been put in place to support people with work-related and debilitating diseases. Those schemes have been well received and generally successful, and I am aware that Ministers are currently trying to ensure that all cases are dealt with in a timely fashion and with minimum bureaucracy. However, while the legal process by and large has been handled in a very responsible fashion, concerns remain about a handful of legal firms that have exploited the situation to their distinct benefit. Ministers have also been tackling that issue in a serious and determined manner, trying to ensure that maximum dividends go to the people who have been so adversely affected.

Over the past two years, knowing full well the seriousness of his condition, John demonstrated outstanding courage and commitment to his constituents. He was still active in the last two weeks of his life, and the House is all the poorer as a result of his untimely passing.

In characteristic fashion, John's wife Cathy is currently trying to set up a trust in John's name to undertake further research on asbestos-related diseases.

John's perennial quest to improve the lives of others and seek fairness and social justice is also mine. I hope that I can live up to the challenge in the same way as John, and go on to inspire people and enhance their life prospects.

Like John, I have spent all my working life in Fife, and most of it in my constituency. Let me explain to Members who are not aware of the location that Fife is on the east coast of Scotland, south of Dundee and north of Edinburgh. The largest community is Glenrothes, a new town that was established in 1948 to tap the huge coal reserves at Rothes colliery. However, after major mine flooding Glenrothes had to diversify very quickly, and soon attracted a diverse range of new industries and businesses.

Many other smaller but equally important communities make up the constituency, many of which were devastated in the 1980s as a result of the quick demise of traditional industries. They demonstrate a strong sense of identity. They have proud traditions as caring communities, supporting the weak and vulnerable in society. In my opinion, the boundary commission did a disservice to those many other communities, such as Kinglassie, Cardenden, Leven, Methil, Buckhaven, the Wemyss villages, Windygates, Kennoway, Thornton and Kirkcaldy North, by calling the constituency Glenrothes. I should prefer a constituency title reflecting the composition of the constituency more accurately, and I will pursue that further in due course.

Members will be interested to know that my constituency neighbour is my right hon. Friend the Prime Minister. Indeed, until recently I was rector, or head teacher, of the Prime Minister's old school—but not, as one reporter commented, the Prime Minister's old head teacher. Had that been the case, I think I would have been in the Guinness Book of Records as a new entrant to the House of Commons in my mid-eighties. However, the change in title from rector to Member of Parliament means that I no longer receive correspondence from other parts of the United Kingdom addressed "Rector of Kirkcaldy high school" and beginning "Dear Reverend"—or, in one case, "Your Eminence".

Let me assure hon. Members that, contrary to press speculation, I was not approached personally by the Prime Minister to stand as a candidate. I have concrete evidence to substantiate that assertion. When I challenged a reporter about the timing of the alleged early phone call, expecting a day in the week to be cited, she suggested that it had been made just after 8 am. I understand that it is common knowledge that when the Prime Minister telephones early in the morning, it is between 5 am and 6 am at the latest.

I have taken advice, and have been assured that telling tales out of school does not constitute a leak. I can therefore reveal exclusively that, when at school, the Prime Minister was involved in a very unfortunate cover-up. The Prime Minister was a talented sportsman. His athletics victory in the Fife championships was described in a superb piece of hyperbole. The school magazine editor of the day noted that he had won the 400 yards by "miles". However, the editor later lamented that the Prime Minister had been disqualified because he had worn a rugby shirt over his vest, thereby concealing his number. Clearly the Prime Minister has learned lessons from his school by experience: he has been very open with numbers as the Government have supported

people through the current economic downturn, although whether all the numbers would fit on an athletics vest is another matter.

The Prime Minister also received the leather strap for a misdemeanour at Kirkcaldy high school. I understand that he has no sadistic tendencies, but he does take pleasure in leathering the Opposition. [HON. MEMBERS: "Oh!"] Can do better.

Regeneration schemes have brought new opportunities to my constituency. Over the last 10 years, 10,000 jobs have been created in Fife. In my constituency today, that diversity is reflected in well-established businesses such as Tullis Russell, which produces high-quality paper. The energy company npower has just invested £100 million in a biomass plant, thereby reducing the carbon footprint dramatically. Diageo—which, I am sure, is popular with Members here—produces superb Scotch whiskies, and recently won the prestigious national gold award for healthy working lives.

Raytheon, which operates in the defence industry, is a major high-technology employer, and there are new industries, too: BiFab is in the vanguard of alternative green technology developments, manufacturing platforms for offshore wind turbines and developing structures to harness tidal energy. Incidentally, it cannot praise highly enough the continued support for, and investment in, its extension plans from the Royal Bank of Scotland.

What do these companies, and the many other successful businesses in my constituency, have in common? They sustain their success through difficult times by being innovative and proactive. In particular, they have anticipated changing market conditions. They have managed change well, they have consulted their work force and, above all, they have invested in people to ensure sustainability, competitiveness and prosperity. In short, they have translated good ideas into effective practice.

The same challenges lie ahead in politics, especially during what has been described by many as the first financial crisis of the global age. It is often said that vision without action equates to daydreaming, and action without vision inevitably leads to chaos. We live in unprecedented times, with global economic challenges that will influence the lives of all of us, so thank goodness for a Prime Minister and Government with the clear vision to lead us through these demanding times with a well thought-out action plan for the next few years—no heckling, please. This strategic plan should take us through the downturn with minimal impact compared with other countries, and bring stability and a return to growth in the years ahead.

As a newcomer to Parliament, I have heard nothing to convince me that the Opposition have any viable alternatives—certainly, in my book doing nothing is not an option. Like John MacDougall before me, I emphasise the need to continue to invest in people by enhancing training and professional development. As my right hon. Friend the Secretary of State said, it is relatively easy during an economic downturn to hit apparently soft targets such as skills training and development. However, if we do not nurture human capacities and unlock the potential of our work force, we will not have a competitive edge as a nation when the upturn comes.

Lord Leitch of Oakley noted in his recent Carnegie lecture that, in terms of current global economic competitiveness, despite the strengths of the UK's education system, our productivity is distinctly average; he described it as "undistinguished mediocrity". Competitors such as the USA, France and Germany are at least 15 to 20 per cent. ahead in the productivity stakes. This is not about protecting business from change; it is about being proactive in preparing for it.

In my professional field, I have worked with colleagues to shape the future in education, and I have often used the following anonymous quotation to urge people to try to take ownership of their destiny:

> "Traveller, there is no path; we make the path as we go—on the journey to improvement".

In other words, whatever the support, only we—the people in a particular business, community or service—can fix things. A positive attitude, optimism and a can-do mentality are of fundamental importance.

The Government must be congratulated on their investment in modern apprenticeships. It is through effective leadership and skills training that we will nurture creators of wealth. It is disappointing that the Scottish Executive have not yet made the same commitment to modern apprenticeships north of the border, and I hope that MSP John Park's Bill to extend modern and adult apprenticeships will receive cross-party support in Holyrood, thereby ensuring that Scots youngsters have the same opportunities as those in the rest of the UK.

We must do more, however, to bridge the academic-vocational divide, and ensure parity of esteem for vocational qualifications and extend the scope of vocational degrees. For too long, they have been perceived as the poor relation, but such qualifications will be critical in reinvigorating our economy. We must do more, too, in targeting training to future employment opportunities, and arrange that training is demand-led. As a matter of priority, we must do more to address the challenges faced by a small but significant cohort of our population who are not functionally literate and numerate. To be world class and highly competitive in the global marketplace, upskilling must be a key national objective, and this Government have extended their commitment to guide and facilitate such progress.

For politicians, and for business, this shared skills agenda demands continuing priority, passion and perseverance. Quite simply, we cannot afford to fall behind; we need to unlock the vast reserves of human potential, and to build a fairer and more prosperous society. It is imperative, particularly during these difficult economic times, that we invest in people, look forward with optimism, talk up the successes and focus on the things that really matter.

In conclusion, I return to the examples of best practice cited earlier from my constituency, both in business and social investment. For the future of this great country, the drive to enhance economic and social skills must be relentless as we strive to improve the life prospects and chances of our constituents. As a former rector, I have spent years leading other learners, but have had to demonstrate throughout my professional career that I am a leading learner myself. The last few weeks have been challenging and I have been on a steep learning curve. This applies not only to Parliament, but on the doorstep.

When canvassing, we see life "in the raw". In the later part of the campaign, I met a lady who was obviously somewhat intoxicated. Aware of party political interest

[Lindsay Roy]

in happy hours and excessive alcohol consumption—I must make it clear that of course I am not referring specifically to Members—I asked how many drinks she had had, to which she replied, "Son, I'm an alcoholic, not an accountant."

I am grateful for this opportunity to make my maiden speech. I also appreciate the words of reassurance and encouragement received from many Members. "Don't worry", they said, "it will be straightforward—and not all will be listening anyway, and some might be asleep. It is not a daunting experience." I can assure Members that it is, although I understand that few acknowledge that this is the case until the experience is over.

Finally, I have had the privilege of leading two large successful secondary schools, and I think that it is entirely appropriate that I conclude by citing their mottos. The first echoes the theme of my speech. It comes from Inverkeithing high school—"Grow by Choice". The second summarises my commitment to this Parliament and to my constituents: "I will strive to do my utmost." Now, where have we heard that before?

8.17 pm

Tony Baldry (Banbury) (Con): To be able from time to time to congratulate a Member on a maiden speech is one of the genuine privileges of being in this House, and I think all Members will agree that we have just heard an outstandingly good maiden speech. The hon. Member for Glenrothes (Lindsay Roy) is clearly rooted in his constituency, and his experience comes from being rooted in it. It was a witty speech, and I say to the hon. Gentleman that if he can make colleagues in this House laugh occasionally, he will be more than halfway to holding their attention. I am sure we will hear a lot more from the hon. Gentleman in the future.

The hon. Gentleman and I share two things at least. The first is a love of the Union. My mother is a Scot; her name is Oina Paterson. Secondly, the hon. Gentleman and I are both constituency neighbours of the leaders of our parties. That can sometimes be good news, but it can on occasion mean that one really has to check the line to take; otherwise, we can find ourselves saying to every inquiry, "I do not do surveys," if we do not want to have embarrassing discussions with the Whips as to why we appear to be taking a somewhat different line from the leader of our party.

We all look at the Queen's Speech from the perspective of what it says to speak to the condition of our own constituencies. Interestingly, the proposed subject for today's debate is employment, universities and skills and housing. We have heard very little about employment, other than what the Government intend to do to reorganise the Learning and Skills Council and other such things; they are just reorganising the furniture of the machinery of government. The recession is hitting the M40 corridor with some vengeance. Last week, Aston Martin announced that it was making a third of its work force redundant at Gaydon, and Honda announced that it was looking for a buyer for its Formula 1 team at Brackley and that if it did not find one, it was simply going to pull out and close altogether.

A vibrant specialist, high quality motor racing industry has always been based along the corridor from Longbridge to Cowley, which goes up the M40, providing highly skilled jobs. That is reflected in the fact that Banbury is home to excellent companies such as Prodrive; indeed, when the Queen and the Duke of Edinburgh visited Banbury the other day to celebrate the 400th anniversary of the borough of Banbury's having received a charter, Prince Philip, unsurprisingly, visited Prodrive. So, it is a matter of concern when high quality, specialist automotive engineering jobs such as those disappear in such large numbers. I pray to God that Honda finds a new buyer, because it generates many excellent supply jobs not only for itself, but throughout the local economy. It will be incredibly bad news if that starts to unwind.

The M40 corridor is not only losing jobs in high-tech manufacturing, as we saw—again this happened last week—with what happened to the Alden Group, a printing business that was based in Oxford, but is now based in Witney. It was a family business going back six generations; it was second only to Oxford University Press. It had been sold by the family earlier this year to a German company as a vibrant, strong going concern, but last week the administrators were called in. I do not know the exact details, but I would be willing to speculate that it was not because of any inherent weakness in the Alden Group. I suspect that, as with many companies, a hedge fund or some other organisation in the new company's structure found itself in financial difficulties, that necessitated a fire sale, its investments were undermined and unwound and that lead to the loss of jobs.

The recession is already hitting the M40 corridor, but research by the Local Government Association tends to suggest that counties such as Oxfordshire will be hit far worse by this recession than by any previous one and that Oxfordshire will be hit far worse than many other parts of the United Kingdom, not least because of the large number of jobs in Oxfordshire that depend on financial services. The jobs of people who travel to London, Reading and other financial centres on a daily basis may start to unwind. Such people will never have expected to have been out of work or to have lost their jobs.

What help will such people receive? They will go to Jobcentre Plus and they might be eligible for jobseeker's allowance, and I wish to make two points on that. We have heard a lot today about training—Train to Gain, adult training and other types of training. When people become unemployed, they often want to acquire new skills, perhaps to find other opportunities in the world of work, but one of the perversities of claiming JSA is that people cannot train while doing so. The other day, I learned of a constituent of mine who had been made redundant and who had decided to use his savings to train to become a driving instructor. He discovered that because the job centre did not consider him as being available for full-time employment, he lost his JSA, so he was doubly hit. I hope that Ministers will examine the ability of those who are made unemployed to find opportunities to train without losing their benefit.

Many people who have skills will want to contribute those to the community by doing voluntary work while they are looking for work, but they, too, find their claims for JSA undermined. I say to Ministers that there is a difference between the welfare reforms that the Government are introducing in the Queen's Speech, which seek to get those who have never been in work into the world of work, and the system in respect of people who have been in the world of work, desperately

want to get back into it as quickly as possible and want to make a contribution to the community or to acquire new skills while they are unemployed—for the shortest period of time. Our system must recognise the contribution and aspirations of those who have been out of work and want to get back into it as quickly as possible.

For many of those who lose their jobs, life will be an enormous shock; it will be very dislocating, particularly if they have been working in other parts of the country, such as London. One thing that I hope we can do in Oxfordshire—I am discussing this with Oxfordshire county council and the Oxfordshire Economic Partnership—is set up informal jobs clubs in Banbury and Bicester, whereby people who have lost their jobs can come together to take strength from counselling and the experience of others, and can have the support of outreach workers from Jobcentre Plus and the LSC—until it disappears. Why on earth, yet again, should another bit of the machinery of government be abolished just when it might be helpful? Such clubs could also provide people with access to intelligence about what might be happening in the labour market. In short, we should make it clear to them that the community wishes to do everything that it can to support them and get them back into the world of work as speedily as possible. Each and every one of the unemployment statistics is an individual person who has a family and who has individual ambitions and aspirations. Getting such people back into the world of work as speedily as possible is the collective responsibility of us all.

The economy of my constituency is almost entirely dependent on small and medium-sized businesses. What I find so unbelievably frustrating about this Government is not only that they are strong on rhetoric and headlines, but when one starts to dig into the headlines, one finds that there is just no substance. In the pre-Budget report, the Chancellor of the Exchequer devotes a whole section to "Supporting business", in which he makes the following acknowledgment:

> "Businesses are facing an exceptionally challenging economic climate with uncertainty over the short to medium term."

He then goes on to give some indication of the help that the Government are supposedly giving to small and medium businesses. Measures to help those firms facing credit constraints include a new small business finance scheme to support up to £1 billion of bank lending to small exporters, a £50 million fund to convert business debt into equity and a £25 million regional loan transition fund. On the surface, that is all good stuff, so I tabled some parliamentary questions to the Treasury, asking how small businesses might access those funds. All those questions were transferred to other Departments, so they will, I hope, be answered in due course.

Not surprisingly, however, it was not long before I started to get letters and e-mails from businesses in my constituency saying, "Hey, we'd like to know how to access this money and help, because no one is telling us where to go, and wherever we go, we're told to go somewhere else." For example, the director of a marketing company in my patch, which had 17 employees in September, e-mailed me to say:

> "On the 25th November the chancellor announced a £1 billion small business finance scheme designed to help struggling companies gain credit during these difficult times. This whole scenario started when I tried to find out who would be managing the fund and what the route to the fund was. Firstly I contacted Banbury Chamber of Commerce and they…suggest I contact Business link. This I did at the Thame office. They had no knowledge of the fund and couldn't help. I then had a call from the Chamber saying the funds were being managed by Regional Development Agencies."

Over the past few days, my office and I have been trying to discover just where these funds are, and it is the most extraordinarily frustrating experience. The pre-Budget report would tend to suggest that some of these funds are being managed by the RDA. I telephoned the South East England Development Agency, which covers Oxfordshire, and I asked how small businesses could access the new small business financial scheme designed to help struggling small companies, and it said that it did not really know anything about it and suggested calling Business Link. So the next day, we asked the same question of SEEDA, and we were again told to call Business Link, but given a different number. We were told that if the business were eligible, Business Link, which is funded by SEEDA, could give advice on how to apply. So we called Business Link, and it said that it does not give funding directly, only advice and information. It also said that it had no information about the new funding, but it would do some research and ask a colleague to call me. Today, I received an e-mail from a client service representative from Business Link in London, which states:

> "I do not have any substantial information on the new funding scheme for SMEs, and will send you any information I receive from our research team. They will not be able to give me a response by Monday, but I will contact you on Tuesday…to update you."

Two weeks after the Chancellor purportedly produced a package of measures to help smaller businesses, no one in the machinery of government can explain to a Member of Parliament how any small or medium business in my constituency can access any of that money. That is a disgrace. Businesses all over the country are bleeding. They are desperately short of credit and in need of help and support. It is therefore unacceptable that no one can explain what they should do.

Then there is the whole issue of the scrapping of the learning and skills councils. Just as businesses in my constituency started to understand the Heart of England training and enterprise council, this Government scrapped it, just after they came to office, and set up the learning and skills councils. I have lost track of the number of times the LSC for Oxfordshire has changed—it has moved headquarters, its remit changed, and its regional operation has changed, so that at one point it included Milton Keynes and then it did not. At one point, people had to ring somewhere in Kent to discover what was going on, and then they had to ring Abingdon. That is a nightmare for small and medium businesses.

People are now beginning to understand what the LSC does, so of course it is now being scrapped and we are to have a new skills funding agency. That will be dependent on parliamentary approval in the children, skills and learning Bill, so it will not come in next week. There will therefore be a hiatus, just at the time when people need to know where they can get help. The LSC will be in its death throes and key staff will doubtless be leaving to look for other work. Until the Bill is passed, we will not know where the skills funding agency will be based, how it will be organised and how people will be able to access it.

[Tony Baldry]

The Gracious Speech provides nothing that will assist businesses in my constituency. For most of them, their main concern is getting access to credit. They find it frustrating that the banks, which have received very large amounts of money from the taxpayer, do not appear to be advancing credit, notwithstanding the exhortations of the Government. The Government do not seem to be taking any cognisance of the fact that credit in the economy has fallen close to zero, which is the lowest level in nearly 30 years. Not surprisingly, the CBI says that the number of firms reporting reduced and withdrawn lines of credit is going up every day. Instead of lending to businesses, the banks are cutting down their balance sheets. If everyone does that at the same time, the recession will clearly get deeper.

I hope that the Government will reconsider a suggestion made by the Opposition. I find it objectionable that the Government's only mantra is to go around shouting that everyone else is doing nothing. It is the Government who are doing nothing apart from publishing press releases, because the schemes are not coming. They say that they will make credit available, but perhaps they ought to take notice of the national loan guarantee scheme that we have proposed, which would underwrite lending from the banks to British businesses for a commercial insurance fee, passed on by the banks. Such a scheme would properly protect the taxpayer. Banks would be able to use the scheme's guarantees to underwrite a significant proportion of any new loans to businesses, so they would not be reckless loans. In that way, we would ensure that the markets would start moving again.

The Government must start to do something fairly speedily because it is important that small and medium-sized businesses get going at this time. The construction industry, of course, is an important part of that. As the Minister responsible for housing, the Under-Secretary of State for Communities and Local Government, the hon. Member for Hartlepool (Mr. Wright), is here, I want to take a couple of minutes to make some comments about housing.

One of the Government's crazier ideas was the Weston Otmoor eco-town. I shall not detain the House on why it was and is one of the craziest ideas in God's creation to have such a development predominantly on a greenfield site and for it to be dependent on digging up pretty much the whole of Oxford railway station and every railway bridge around Oxford—that is neither here nor there. There is no debate about the fact that we need new social housing in this country. I agree with much of what the hon. Member for Brent, East (Sarah Teather) had to say. One of the tragedies nowadays, as has been made clear by the chairman of the Centre for Social Justice, my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith), is that working families on low incomes find it very difficult to access social housing. It is perverse that those who are on low incomes and in work are, if we are not careful, condemned for ever to the private rented sector, which means that stability is lost in our communities and in areas of our constituencies.

We need new social housing, and so Cherwell district council has said that it is willing to support an eco-town proposal on the edge of Bicester if the local development framework is gone through to identify where it should be. That, I think, would be good news for Bicester. It would give some proper focus to a town that is in effect a new town, as it has grown very fast over the past 20 years. However, any such development will depend on the investment put into housing associations by the Housing Corporation. One cannot expect all the developments of the next 10 to 15 years to happen on section 106 agreements. Developers are simply not doing that. Wimpey lost 98 per cent. of its market cap in one year alone and most large-scale developments in my constituency have either ground to a halt or are moving at only a snail's pace. If the Government want us to proceed with initiatives such as eco-towns and eco-housing, they will have to be prepared to consider allowing the Housing Corporation to invest in social housing in constituencies such as mine in north Oxfordshire.

Nothing in the Gracious Speech will do anything of real value for my constituents. It is all very well to talk about more apprenticeships, but as the Secretary of State for Innovation, Universities and Skills said, apprentices need employers. Of course they do, and in my patch we are desperately trying to maintain employment, but it is dependent on small and medium-sized businesses and although the Prime Minister and the Chancellor talk a good talk about what they are supposedly doing for small business, in practice and in truth, when we ring up and ask, "How do my constituents access that help?", answer comes, "We do not know."

8.41 pm

Mr. David Anderson (Blaydon) (Lab): I welcome my hon. Friend the Member for Glenrothes (Lindsay Roy). It is good to have an educator turned legislator. It is a shame that Scottish National party Members are not in the Chamber, as I am sure they would agree that my hon. Friend and the people of Glenrothes taught them a lesson on 6 November that they will be a long time forgetting.

I pay tribute to my hon. Friend's predecessor, John MacDougall. The best tribute the House could give John MacDougall would be to put pressure on my Government to put right the scandal for people with pleural plaques and asbestos-related disease following the Law Lords deciding in their wisdom last October that those diseases could not be compensated for. Members of the House are working with Ministers to try to reverse that decision, and I hope that as a tribute to John MacDougall and the thousands of other people who have been illegally and criminally exposed to asbestos for many years the House will take that on board and support those who are trying to seek justice.

I shall talk mainly about apprenticeships, but also about housing. Nearly 40 years ago, I was fortunate enough to be welcomed as an apprentice with the National Coal Board. At the time, it was seen as a good, high-quality apprenticeship and in April 1969 I was paid the grand sum of £7 and 6 shillings a week, and thought myself well paid. The apprenticeship was not just practical. It was not just about learning how to repair and install machinery; it was also very much an academic qualification. We studied mathematics and engineering part-time on day-release, and we had to study and understand mining legislation in particular.

The vast majority of the rules governing mining are, thankfully, not just rules of conduct but were laid down by the House—sadly because of the serious incidents

over many years, when people were killed in coal mines in a multitude of ways. The House took its responsibilities seriously and people who trained as craftsmen in the mining industry had the responsibility to learn the legislation and implement it. When I became a craftsman, the mines were much more mechanised than in earlier years, but sometimes that just meant there were different ways of killing people. If a person did not do their job properly, not only did they lose millions of tonnes of production, they could also ruin other people's lives.

I was 19 years old when I had served my time. The apprenticeship was a badge of honour; it was important. It brought status, and part of it was that when we became older and had more experience we passed our knowledge on to the next person in line. The young kids coming through were aware that the knowledge was handed down from generation to generation. It was an important part of the culture for people to serve apprenticeships.

Two years ago, I was asked to be a Parliamentary Private Secretary in the Department for Education and Skills, which became the Department for Innovation, Universities and Skills. I asked, "What's the agenda? What's the main idea that you're pushing?" It was the skills agenda. In the two years in which I worked in DFES with the Secretary of State for Innovation, Universities and Skills and my hon. Friend the Member for Harlow (Bill Rammell), by and large, despite the brickbats that we normally throw at each other across the Chamber, the general view was that people in the Department were trying to do the right thing by improving skills and addressing the issues that we face in a global economy.

Obviously, there was discussion between the parties on where we were going and what we were doing, but by and large, people accepted that the Minister and the Secretary of State acted in good faith, and engaged with and worked with people, particularly in the Committee stages of Bills. The Minister and the Secretary of State would appear before the Education and Skills Committee and ask, "Can we find a way to take things forward?" I am not suggesting that that is not mirrored in other Departments, but there was a genuine attempt to try to find consensus. Obviously, at the end of the day Members have different party backgrounds and we divide on tribal lines, but in general we tried to move forward.

It was frustrating for me, as a PPS in that Department, to listen to the criticism of the apprenticeship schemes then in place, because Opposition Members talked about apprenticeships of the kind that I had had. They spoke of something almost like a guild, in which people would work for a time. They would work with a craftsman who had been there for a long time, and who had worked in the industry for many years. That totally ignored the fact that we are now in a very different world. I will be quite honest: I wish that we were still in a world in which we had that level of manufacturing, and the real, serious, heavy industry that produced work of that nature. However, the truth is that we are not in that world, because 20 years ago, the Conservative party had a deliberate policy of de-industrialisation, de-skilling and mass unemployment. It wanted to develop a low-skill, low-wage economy, and it did so very successfully.

The Conservatives devalued the status of work done by people in the public service, such as ancillary workers and cleaners, who were taken out of the public sector work force. People who had been devoted to the national health service did not feel the same sympathy and passion when they belonged to the Joe Bloggs cleaning company; we see the results of that today. It is a different world now, and clearly we have to accept that.

One of the criticisms made today is that public sector apprenticeships are not being created, and I accept that criticism. It is an absolute disgrace that the public sector has not filled the gap that was left by the demise of heavy industry. Again, we have to look at some of the reasons why it has not done so. For 20 years, the public sector in this country, including local government, higher education and the national health service, were starved of resources. Hundreds of thousands of people were outsourced; jobs were sub-contracted to companies that aimed for the lowest common denominator and did not want to know about training, skills or the long-term agenda. Work force numbers, budgets and terms and conditions were cut to make things leaner and more efficient. As a result, public sector bodies could not fill the gap that we want them to fill. Hopefully, we are accepting in this debate that the public sector must do much more, and do it much better.

In the late 1980s, I left the mines. I was made redundant in 1989; when I left, I was given £20,000 in redundancy money. The global sum given to miners who were made redundant between the early 1980s and the early 1990s is £5 billion. I am talking about redundancy payments, and nothing else—not unemployment benefit or sickness benefit. If that money had been invested in keeping some mines open, or reinvested in skills, this country would be in a very different position today. I was fortunate, in a sense; through my involvement with the trade union movement—the Trades Union Congress and the National Union of Mineworkers—we got people access to Durham university. That gave people a chance to get skills, and to go back into education, if they had lost that chance earlier in life. That supported me and a few others.

I was one of the lucky ones; I was in the know. We cannot rely on that in this day and age. We need to go far beyond that, but we cannot do so if the Government have the attitude that we should stand back. We cannot do it if they believe in laissez-faire—if their attitude is "Stand or fall", "Only the strong will survive," or "If you don't like it, get on your bike." Sorry, but we cannot go there again. I am glad to say that we are not doing that today.

Sadly, like everyone else in the Chamber, I have constituents who are facing problems. Only last week, I visited Virgin Media in Team Valley in my constituency, where 113 people have been told that their jobs will have to go before next April. To its credit, the employer has engaged with those people at an early stage, and it has tried to find jobs for them in the rest of the system. More importantly, it has linked very quickly to the relevant agencies. Last week, I spoke to the Department for Work and Pensions, the local council and the regional development agency, which are working together with the employer to make sure that those people do not fall through the net. If they lose their job, they will try to find ways of giving them the skills to get another job, giving opportunities to people who may never have done a job interview or any training for years. The system is there to support them.

[Mr. David Anderson]

Likewise, as was announced by the Secretary of State, we are dealing with the situation at Nissan which, like other car plants, faces serious problems. It is the most productive car plant in Europe, producing quality goods and showing the way forward for manufacturing in this country. Like everyone else, it faces a situation where it has to lay people off. It has engaged with Gateshead college, which supplies the automotive training industry in my constituency, and it has agreed a package so that when people are laid off they do not go and sign on the dole or sit at home—they will go to the training centre and update their skills. Those same people in the training centre are going out into the workplace, and are working round the clock seven days a week with people to provide on-the-job training. They want to update their skills and make their chances better. For me, that sort of thing is welcome.

Twenty years ago this week, just down the river from Nissan, the last shipbuilding industry in Sunderland which, at one time, was the biggest shipbuilding town in the world, was closed down. A recording of what was said in interviews that day was released this week that said it all: when you take the heart out of something it dies, and the heart was ripped out of Sunderland when they shut the shipbuilding industry, with nothing to replace it. I urge everyone in the House to read "A mine of opportunities", the report produced last week by the Audit Commission which speaks about the key role that local councils play in regenerating coalfield communities. The key message is that the worst thing that happened was the lack of action in the 1980s and 1990s. There was a slow take-up of the fact that people were just left for a long time, which has led to long-term problems, including social problems and drug abuse. People are living in a welfare culture—something that they never wanted to happen. They were proud to go to work, but they have forgotten what it is like to get out of bed on a morning and go to work.

David Taylor (North-West Leicestershire) (Lab/Co-op): My hon. Friend referred to the car industry, and in North-West Leicestershire a good number of firms are car component manufacturers for companies such as Nissan and Toyota. In America, the big four car manufacturers are lobbying the case hard with President-elect Obama as well as President Bush for special support for the car industry as a central part of the economy. Indeed, Lord Mandelson has seemed to make similar noises here. Does my hon. Friend believe that that is the way ahead and, if so, how can support best be given by the Government to such central and core industries, off which many jobs hang in other parts of the country, not just in Sunderland, Derby or wherever?

Mr. Anderson: My hon. Friend makes an apt point—that is exactly what I am talking about. We need input from people in different ways. The case for Nissan is different from the case for Honda or for Toyota. Right around the area, however, feeder factories may not be able to survive, unlike Nissan which, together with other big companies, can batten down the hatches. Companies that serve them, however, might not be able to do that. Part of our duty is to be the voice of people in Parliament, wherever we come from. If we believe that Ministers and the Chancellor are not doing their job or giving those people what they need, it is our job to come here, and bang on their doors and make sure that they know what we are saying.

To give a classic example, last week, a local business man asked me to go and see him. He is a successful man who wants to be even more successful. He has the opportunity to develop service stations up and down the motorway system. About nine months ago, he had the chance of a 100 per cent. loan from his bank. He is putting things in place, but it has now told him that it is giving him only 70 per cent., despite the fact that the businesses and the property that he owns would more than compensate if the business went belly-up, as the bank could claw all that back. At the same time, the bank told him that his overdraft charge would go from 13 per cent. to 17 per cent. That is a case that I shall certainly take up, on his behalf and on behalf of others like him. We must say to our Government, "You must put that right."

Finally, I turn to the subject of housing. I am glad that the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Hartlepool (Mr. Wright) is on the Front Bench. The hon. Member for Brent, East (Sarah Teather) spoke about social housing and a number of hon. Members who were present agreed in principle with what she said, although we may have party political differences on the matter. There is a need for social housing, but there is also a great opportunity to do what our parents and grandparents did in the 1950s by regenerating areas and building quality social housing, not rubbish like the housing that was built in the 1960s.

We must build social housing that people want to live in and make homes in. We should be clear that that housing is there for ever for people who cannot afford to buy their houses. If people want to buy their houses, they should buy on the open market. Let us build social housing and use the rents over the next 50 or 100 years, whatever it takes, to pay back the money put into them. It is a long-term investment that will provide work—

Kelvin Hopkins: I thank my hon. Friend for giving way and I strongly agree with every word that he is saying. I am sure that his town is similar to mine, where tens of thousands of houses were built in 1930s. Does he agree that it was construction that helped bring Britain out of the 1930s recession and that we should do that again?

Mr. Anderson: My hon. Friend is right. That would be a new deal in the same sense as in the States in the 1930s, where public money was invested not just to get people through hard times, which is obviously the right thing to do, but to leave a legacy that lasts and meets a need. It is genuinely a win-win situation, as was said earlier by an Opposition Member. We should acknowledge that across the House and work together to take it forward. It would drive the economy, not just in construction—every house that was built would need to be fitted out with carpets, beds, settees and so on. The work is there for us to get stuck into, and I am keen to see that going forward. I hope that the Minister will give us some support in that respect.

My hon. Friend the Member for Glenrothes said that doing nothing was not an option for the Opposition. I believe that it is an option and that they should stick to

it. They are good at it and they should do it for the rest of time, so that the people of this country refuse to elect them ever again.

8.57 pm

Mr. Edward Garnier (Harborough) (Con): May I, along with my hon. Friend the Member for Banbury (Tony Baldry) and the hon. Member for Blaydon (Mr. Anderson), congratulate the hon. Member for Glenrothes (Lindsay Roy), who made his maiden speech this evening? It is a privilege, as he accepted, to be elected to the House, and I congratulate him on his election.

I join the hon. Gentleman in his praise for his predecessor, John MacDougall, whom I proudly claim to have been a friend of mine. We were colleagues on the Anglo-Netherlands all-party group. He was the chairman and I was the treasurer. We travelled to Holland and we met delegations from the Dutch Parliament here on a number of occasions over the past few years. I mourn with the hon. Gentleman and his constituents the loss of John MacDougall. He was a great man and a great servant of his constituency. The hon. Gentleman quite properly spoke of him this evening and I am delighted that he did so.

The hon. Gentleman said that he wanted to change the name of his constituency to Glenrothes County, I think. Perhaps I misunderstood him, in which case the remark that I am about to make will be even more laboured than the one I intended. Glen Roy might be the better name for his constituency, if the right hon. Member for Ross, Skye and Lochaber (Mr. Kennedy) would allow him to use the name of a place in his constituency near Roy Bridge, near Spean Bridge in north-west Scotland. I congratulate the hon. Member for Glenrothes and wish him well. I trust that his remarks about the Prime Minister propel him or project him into the place where he no doubt wishes to be. It was a fine speech and I look forward to hearing more from him.

I return to the Queen's Speech. Although I shall concentrate on housing, I shall briefly mention another aspect that interests me, criminal justice policy. I want to discuss the way in which the Government are pushing their policy of building titan prisons—the large human warehouses that will incarcerate upwards of 2,500 inmates. They propose to build three of these, at the moment, in order to relieve prison overcrowding—a problem that they created and have made worse. Since they came to office in 1997, the prison population has risen from about 61,000 to some 83,500, and they have introduced a number of panic, reactive measures in order, as they see it, to deal with and mitigate the problems caused by prison overcrowding. Not one of them has worked. Since they introduced early release from custody on licence, far from the prison population going down, it has gone up. They have now come up with this hare-brained scheme to introduce titan prisons in Britain, which has been criticised right across the globe—in the United States and in Europe.

Today, Professor Bryan Stevenson of New York university gave a lecture in which he deprecated the Government's policy of introducing titan prisons and urged this country to learn the lessons of what has gone wrong in the United States. The US has huge prisons containing not just 2,500 but many thousands of prisoners, and they are very dangerous places. One need only look to today's experience at Her Majesty's young offender institution, in Aylesbury. It houses only 435 young men, yet there was an incident there today that the Ministry of Justice described as the result of "concerted indiscipline". That is probably new Labour-speak for "deep trouble". I dare say that not all 435 inmates were responsible for the concerted indiscipline, but it does not take much to spark trouble in a prison, and crowding people into big prisons and simply controlling the perimeter is asking for trouble. I urge the Government to think very carefully in this debate about what they do to deal with our overcrowded prisons.

I intervened on the Secretary of State earlier to urge him to do rather more about education in prisons. Although he said that there have been improvements, he was candid enough to accept that there is a lot more to do. That, if I may say so, is the understatement of the evening. The current state of the management of the education system in our prisons is wholly inadequate not because the prison staff are not doing their best—they are—but because prisoners are "churned" from prison to prison to prison. They barely get on to a course when they have to move. They barely get into that new prison when they are moved again, and their educational records, curriculum vitae and medical records—their drug, health and rehabilitation records—follow behind, probably two or three prisons after the individual prisoner. We are building in and reinforcing failure, and it is high time that the Government got beyond the departmental silos, so that adult education Ministers speak to Ministry of Justice Ministers and we have a sensible way of educating prisoners.

We should bear it in mind that many prisoners go into prison unable to read and write, and come out unable to read and write. One has to have a reading age of about 14 in order to get a job of any description nowadays in this country. Those without such a reading age cannot read the safety notices in factories or the instruction leaflets that machinists are required to get their heads round. We continue to allow a system that breeds lack of achievement and an inability to get a job, and which is ultimately responsible for the high reoffending rates that we see in the adult cohort, but—even worse—in the teenage cohort, as well. The reoffending rate among those under 18 is in the high 80s; among those of between 18 and 21, it is in the mid 70s. The reoffending rate among those over 21 leaving custody is about 66 per cent. within two years. We should not be proud of those figures; apart from anything else, they represent a total waste of public money. It costs £50,000 a year to keep each adult prisoner, and if they reoffend within two years, that is a waste of public money. The Government need to apply themselves rather more vigorously to that issue.

David Taylor: A few weeks ago, I was critical of the lack of meaningful activities in many adult prisons. I said that in some respects the prisons were Dickensian and that the activities that there were would have been recognised by Dickens's Magwitch. As a magistrate, I have visited the young offenders centre in Glen Parva, which is in the hon. and learned Gentleman's constituency. Do the criticisms that he rightly levels against the education and training situation in prisons apply a fortiori in respect of the younger prisoners, who do not necessarily lack skills for work, but lack skills for life and basic education—reading, writing and so on?

Mr. Garnier: The hon. Gentleman is right; the issue applies across the piece. Education, in its widest sense, is not being given in the secure estate. My constituents employed at Glen Parva work their socks off in very difficult and sometimes dangerous circumstances. Not so long ago, a young man committed suicide there by setting fire to his mattress. He died from the burns. He put in danger not only his own life, but those of the officers who tried to get in to rescue him. Sadly, they were unable to save his life.

I do not wish to make tiresome party political points, because that is tedious. However, we are looking at a situation in which the lives of 83,500 people are being wasted. They have committed crimes, and many of them need to go to prison to keep us safe and so that they learn to lead more responsible lives. However, we miss an opportunity in incarcerating people in huge numbers and doing little with them once they are inside. Whether those people are youngsters or adults, the Government have a duty to the public to repair them—and, of course, to look after the victims of their crimes.

Andrew Stunell (Hazel Grove) (LD): Does the hon. and learned Gentleman accept that there are prisoners who are unnecessarily retained in detention because the training courses that are a condition of their release are not available? That is another aspect that is feeding the spiral that he has been describing.

Mr. Garnier: That is not a controversial thing to say. Unfortunately, there have been cases at the High Court in which those on indeterminate sentences for public protection have been unable to satisfy the licensing or parole authorities that they are safe for release, because they cannot get on to the courses that, if completed by them, might give some indication of their fitness for release.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I recently spent a day at Shrewsbury prison, which is officially the most overcrowded prison in England. I saw the extraordinary work that the governor, Mr. Hendry, is doing to rehabilitate prisoners there. However, the sheer numbers at the prison make rehabilitation very difficult.

Mr. Garnier: I congratulate my hon. Friend on visiting the prison in his constituency. I always urge hon. Members to visit the prisons in their constituency—or, if there is none, the one nearest it. My hon. Friend the Member for Reading, East (Mr. Wilson) is a frequent visitor to Reading prison—*[Interruption.]* I am in danger of taking myself too seriously. However, it is important that constituency Members visit prisons in their own constituencies; otherwise, the issue becomes a closed book and we invent public policies on criminal justice that are wholly inept and incapable of dealing with the problems that we face. I have two prisons in my constituency. I want to solve the problems I have identified for the benefit of my constituents—as taxpayers, as victims of crime, and as human beings who want the condition of people to be improved, not depressed by how we conduct this aspect of public policy.

I want to turn to housing—in particular, an aspect that was touched on by my hon. Friend the Member for Banbury. I can see that the Under-Secretary of State for Communities and Local Government, the hon. Member for Hartlepool (Mr. Wright), is really looking forward to what I have to say, because he is a keen student of my criticism of how the Government have handled the vexed and vexing subject of eco-towns. I have in my constituency a site that has been earmarked to some extent by the Government, but certainly by the Co-operative Wholesale Society, for the building of a new town of approximately 40,000 residents—about twice the size of Market Harborough, the biggest town in my constituency. In order to achieve this, the CWS, which owns approximately 5,000 acres of prime farmland in my constituency, wishes to convert that farmland into an eco-town. "Eco-town" sounds so much more attractive than "new town", but the fact is that the CWS would like to make a lot more money out of farming houses than it does out of farming crops. As a capitalist, I fully understand that it is entitled to make the best that it can out of its assets in order to return the money, if not to its shareholders, at least to its members. I know that Members of this House are members of the CWS and also members of its political branch, which I appreciate is a different organisation legally, although they are closely related.

In the city of Leicester and county of Leicestershire, there are about 10,000 empty dwellings, yet the Government seem backward in coming forward in encouraging the city council—most of the empty dwellings are in the city—to repair them to make them habitable. I am sure that financial and other instruments could be used to make it easier for private and public sector landlords in the city to bring those dwellings back into habitation. Equally, I am sure that the district councils that surround the city could be encouraged to bring back into habitation the lesser number of unused dwellings in the county. It is a waste of those 10,000 dwellings when there are, I am sure, plenty of people across the county and in the city who would like to go and live in them, particularly if they could be rented or bought at prices that they could afford. Unfortunately, that does not seem to be happening, and the CWS is crashing on like a bull in a china shop, demanding of the people in my constituency and that of my neighbour, my hon. Friend the Member for Rutland and Melton (Alan Duncan), that it should be entitled to build this vast new town all over a piece of agricultural scenery.

Let me give an idea of the problem that we are up against. As I have said before—possibly in a debate responded to by the Under-Secretary—extracting facts out of the CWS is rather like extracting teeth. It is very reluctant to tell us precisely what it wants to do. I thought that I might get something out of it when, during the course of the summer, it produced a document—its piece of propaganda, or sales sheet—on its latest design for this town of 40,000 people. It described its vision in this way:

> "The flexibility of the eco-town enables the desensification of residential plots that occur at an individual level, with the opportunity to create the value (rather than incur the cost) that this implies."

That is total balderdash. It means nothing. It is sales-speak and it will not get to grips with the real issue that concerns my constituents—the wholly inappropriate siting of a new town of 40,000 people in the middle of rural Leicestershire, which will have the following adverse consequences. It will suck the regeneration budget out of the city of Leicester, and I know that the right hon.

Member for Leicester, East (Keith Vaz) and the hon. Member for Leicester, South (Sir Peter Soulsby), who are closest to my constituency, are concerned about that, and it will destroy the chance to give new life to the retail centre in Oadby, the part of my constituency closest to the city. Oadby lies directly between the new town and the city of Leicester. This town of 40,000 will knock out two perfectly good commercial centres: Oadby and the city of Leicester, as well as causing a massive drain of development money from those centres into the new town.

The new town will also cause the most appalling problems for transport infrastructure. If it goes through, the 40,000 people who will live there will need public transport and access to private vehicles, but both public and private vehicles need something to drive on. At the moment, the roads are already crowded, particularly during rush hour. The Co-op says, "Don't worry. Nobody will move out of this new town. They will all be so excited about living there that they will want to stay there. Indeed, all the jobs that we will create will encourage them to stay there." That is a nice thought, but I do not think that it will happen. The Co-op is also going to ensure that there is only one car park space for every two houses. That is wholly unrealistic, and it will cause trouble.

The Co-op hopes to persuade the Government to give it permission to push on with its ludicrous plan on the basis that it will build a tramway between the site of the eco-town and the city centre of Leicester. It has not been candid enough to tell us what the precise cost of that will be. Calculations vary between £1 million and £2 million per inch of tramway—that is an awful lot of money. I am not sure whether the Government will come up with the money to make the difference between the few hundreds of thousands of pounds that the Co-op says that it is prepared to give and the total cost. We will end up with a transport mess.

Of that 40,000 population, how will the adults who have to work get out of that new town to get to the main centres of business in the east midlands where jobs are to be found? Those 12,000 jobs will not arrive in this new eco-town just because the Co-op says it wants them. There will be massive overcrowding on the already overcrowded road system. It is 30 to 45 minutes from the site of the eco-town to the site of the most vibrant economic and job-creating development in Leicestershire by junction 21 of the M1, just south of the constituency of the hon. Member for North-West Leicestershire (David Taylor), which is right on the boundary of the junction with the M69 and the M21. Only 300 jobs a year have been created in that area. On those figures, it will take about 50 years to create the new jobs needed in Pennbury; we are going to have to wait an awfully long time for those jobs.

I am concerned that the Government and the Co-op have been very unclear about the public sector funding needed to bridge the gap between what the Co-op says it will put in—in so far as it has given us any detail—and what will have to come from local and central Government. The section 106 agreements simply cannot be written, because we do not know what the Co-op will provide or what central and local government will be required to provide. We need detail if we are to engage sensibly and rationally with the bullying, which is what I call it, that we have seen from the Co-op.

Finally, I should like the Minister to give some indications in respect of the judicial review that has been granted in relation to the site at Middle Quinton in Warwickshire, just south of Stratford-on-Avon. In my area, the campaign against the Stoughton Co-op eco-town, or CASCET, is chaired by county councillor Dr. Kevin Feltham, who has been waging a highly effective and rational campaign against the Co-op and its madcap scheme. CASCET has sent a letter of formal support to the court in relation to the Middle Quinton review. Mr. Justice Collins granted that judicial review in September last year and I believe that the Government have granted a six-week extension, from February 2009, for responses to the latest consultation on the eco-town at Middle Quinton. That extension should apply to all the other applicant sites currently under discussion. If it does not apply to them all, let me urge the Minister to ensure that it should at least apply to the Co-op site in my constituency.

I apologise for speaking for so long, but in the Co-op application for a so-called eco-town—the misuse of language is just appalling, as one sees from the propaganda piece that I quoted a moment ago—the poverty of the language reflects the poverty of the case. None the less, my constituents' concern grows by the day, as the Government and the Co-op fail to understand the terrible threat that we face. I am grateful to the new Minister for Housing, who has agreed to meet me and my neighbouring parliamentarians at her Department, I believe on 20 January. I hope that we can persuade her that the scheme proposed by the Co-op is not just silly, but highly damaging and will destroy the economy and the environment of Leicester and Leicestershire. When the Minister who is here responds to this debate, I urge him not simply to say, "I'm thinking about it and we'll do something next week," or the week after that, but to come up with some firm proposals that would put the Co-op back in its box.

9.22 pm

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): It is a real pleasure to be the first fellow Scot in this debate to congratulate the new hon. Member for Glenrothes (Lindsay Roy) on his maiden speech, following his probably seminal victory—it was certainly a seminal by-election—of some time ago. Like everybody else in the House, I found his engaging contribution excellent and stimulating. The sense of balance in his temperament, which he brought to bear in the by-election, was with him in this debate and will be with him in the House generally.

I liked the hon. Gentleman's self-deprecating description of himself in the first few days here as "a lost soul around the parliamentary estate." Let us cast our minds back to those fevered times over the summer recess in the parliamentary Labour party. Had the result of the by-election been different, as it was widely anticipated at the outset, the lost soul wandering around the parliamentary estate might well have been the gentleman who is now his neighbouring constituency MP, the Prime Minister himself. There was a lot riding on that by-election, and it was a famous victory for the hon. Gentleman personally and for his party.

In congratulating the hon. Gentleman, as one Scot to another, let me say that one thing about the by-election that pleased me. The debate during the campaign and the outcome of the by-election, as well as his presence

[Mr. Charles Kennedy]

here this evening, as the new MP, and the presence of those of us from other political parties in Scottish and UK politics, demonstrate that one can certainly be a 100 per cent. nationalistic Scot without having to be a political nationalist. The voters of Glenrothes well understood that distinction and voted accordingly.

As has been quite widely remarked, this Queen's Speech is fairly thin in content, but I am one of those who have no great argument with that either philosophically or practically. I think that Governments and Oppositions consistently want to do too much and to interfere too much, so a Queen's Speech that does a little less is to be welcomed on principle alone.

Like others, I take the view that the Queen's Speech is lighter in content not least because of the general election calculations. This Parliament's legislative programme may have to be foreshortened if the Prime Minister decides at some point in the next calendar year that he can risk an early, or earlier than is absolutely necessary, general election. Who knows what will happen? It is idle speculation.

I am thoroughly of the view—and it is a view that the former Labour Home Secretary, the right hon. Member for Norwich, South (Mr. Clarke) expressed quite recently—that when one looks at the great advantage that is supposed to accrue to incumbent Prime Ministers from choosing the dates of general elections, one needs to remember that the history books tend to get written by the winners, so it is a great advantage when the incumbent benefits from it. It was not a great advantage for James Callaghan, for example, and it has not so far proved to be a great advantage for the present incumbent. If I were in his shoes, I would say that there will be no general election next year and that the Parliament will go through to the first week in May 2010 to coincide with the already scheduled local elections. Irrespective of the intervening consequences, that would settle the issue—at least in that respect—once and for all, so politics could conduct itself accordingly and much of the second half of the Parliament would not be so distracted by idle talk and idle general election speculation.

The Queen's Speech is lighter in content, but given the overwhelming financial and economic circumstances, which will determine the political content of this Parliament, I want to deal with it to a greater extent than any other time since my maiden speech 25 years ago by focusing on employment issues. When I was first elected 25 years ago, unemployment in my constituency was absolutely through the roof as a result of closures. For some streets and communities, adult male long-term unemployment was at more than 50 per cent—so thank God those days are behind us, we hope. What is back in focus, however, is the looming prospect—indeed, we are seeing it already right across the country—of very significant job losses becoming the order of the day once again. A big challenge for the Government, not just in respect of the Queen's Speech but for political conduct more generally, is how they respond to and cope with that prospect.

Let me begin by referring to an unemployment issue that has arisen in my own constituency. I make no apology for the fact that the number of jobs is very small or that the size of the community is very small, because everything is relative. The number of jobs available for this size of community is a highly significant issue. Like so many in my area, this community is remote, rural and heavily dependent on long-term employment prospects, some of which have been there for many decades. I am referring to the future of the silica sand mine in Lochaline in the Morvern peninsula in the Lochaber part of my constituency.

Lochaline has a population of 202 and we are talking about 11 full-time jobs, which Tarmac is likely to axe immediately before Christmas. The mine has a 60-year history in the community and its products have been associated throughout that time with many household names on both the national and international markets. A great deal of work is under way at all levels—in the community, at Highlands and Islands Enterprise, in my representations to Tarmac, and in the Scottish Executive in Edinburgh—and it would be assist if those efforts were reinforced by the Scotland Office and other Ministers making appropriate supportive noises. A further meeting in Fort William is scheduled for next Monday, and a report is due back from Highlands and Islands Enterprise on the current prospects for maintaining the mine. Given the company's premature announcement, which had scant regard for consultation or the sensitivity or interests of the community, we are looking for a stay of execution, a more careful and sensible consideration of the feedback—which will have been achieved in a short time scale, which is currently less than two weeks—and further discussion into the new year. Any help from the Government at a UK or Scotland Office level would be much appreciated.

Mr. Timpson: Does the right hon. Gentleman agree that the consultation and need for a stay of execution that he describes should also apply to the 90 offices of Her Majesty's Revenue and Customs that are earmarked for closure by the Treasury? Does he also agree that those jobs on the front line of public services should be kept at a time when experienced and dedicated local staff are required for local services, including in my constituency of Crewe and Nantwich?

Mr. Kennedy: I thank the hon. Gentleman, and I congratulate him on his by-election victory of not that long ago. I must give credit where credit is due. With regard to the closures to which he refers, one was scheduled in another part of my constituency, Ullapool, but the Government have backed off. However, the alternative offices were, respectively, Wick, in the constituency of my hon. Friend the Member for Caithness, Sutherland and Easter Ross (John Thurso), and one of the two centres in Inverness, in the constituency of my other neighbouring parliamentary colleague, so it would have been ridiculous to reduce the presence in Ullapool. I welcome that fact.

A lot of work that was under way, and in the pipeline at a governmental level, has now been overtaken by economic events. The example cited by the hon. Member for Crewe and Nantwich (Mr. Timpson) is one. The budget for Highlands and Islands Enterprise, although it comes within the purview of the Scottish Executive, has been cut by £50 million, and its purpose is to provide help in extremis. The budget decision was taken some time ago, but the financial situation has plummeted in the meantime, so some mechanisms of state support have been constrained just when they are needed.

I therefore wish the hon. Gentleman luck with his ongoing campaign. The Government should listen to those in Crewe and Nantwich and constituencies across the country, where, sadly, such state support will be needed by citizens who already find themselves encountering hard economic circumstances. Alas, as we all know, they are liable to encounter even more of the same as 2009 progresses. I hope that the Government can take steps to assist with the problems of unemployment in Lochaline and in the wider community of Morvern.

On the Queen's Speech as a whole and employment prospects, transport and infrastructure considerations are important for the entire economy, but for an area as peripheral and remote from markets as the highlands and islands of Scotland, such considerations, as well as the cost of fuel, are vital. I welcomed some of the Chancellor's recent announcements in the pre-Budget statement—it has been renamed so many times that the correct nomenclature is difficult to remember—running in tandem with the Queen's Speech. However, it must be said that the impact on jobs in the highlands of Scotland of the continuing difficulties generated by fuel prices and the way in which the Government have set about their revenue take remains crippling.

I have mentioned one remote community, Lochaline, but another such community is Applecross, on the west coast of Ross-shire. The weekend before last, I was fortunate enough to be there and to observe that, thanks to tremendous efforts in that small and isolated community, the local petrol pumps had just been reopened as a result of the activities of the community and the Applecross community company. The company was able to raise enough funds to ensure that, when people needed to fill their tanks, they need not face—would you believe?—a 40-mile round trip to and from what were the nearest petrol pumps, in the metropolis known as Lochcarron, over the Bealach na Ba. If nothing has done so already, the mention of those place names will guarantee me an envelope from the *Hansard* reporters at the end of my speech!

However, it is not just access to fuel that is vital to a community of that kind. The cost is such that it inhibits everything else to do with creating jobs and maintaining them. People face longer journeys and higher prices, along with few if any alternatives. The Government must bear it in mind that power companies in this country have received £9 billion from the carbon emission trading scheme that they have not passed on to domestic energy consumers: something should be done about that before Christmas. Meanwhile, the Government are continuing to rake a considerable amount into the national Exchequer through the fuel costs that people are paying for their transport. All those factors have a massive inhibiting effect on the employment prospects of areas such as mine.

The third and final issue that I wish to raise is related to employment, although it falls within the housing field, and the United Kingdom housing field. I refer to the level of housing debt. Because it remains a Treasury matter, Members of Parliament in the Highland council area have been lobbying the Treasury for some time on the extent of the council's existing overhang in terms of housing debt.

The Treasury keeps citing the golden rule when it comes to trying to wipe out debt. For reasons that are well understood, the Government flaunted the golden rule in the context of the banking community; if they could do something similar in the context of a local authority such as Highland council, we might see the attainment of more Government objectives that are widely shared across the political spectrum.

The Government could invest in energy efficiency—in home insulation, for instance. They could bring about a welcome raising of social standards, and improve people's general welfare. However, a potential triple gain in the form of trades and skills—which are good for employment, overall energy policy and improved living standards—is being threatened. The lack of employment opportunities is all the worse at a time when we are losing jobs and will continue to lose jobs, but I have identified an affordable and efficient way in which the Government could generate growth in an area such as mine.

There is another way of doing that—partly through the Scottish Executive, but also through the Chancellor's welcome proposal in the pre-Budget report to front-load money over two years. Let me make a particular plea. In the context of geography and distance, the state of a main artery such as the A82, particularly between Glasgow and Fort William, remains an appalling indictment of present-day communications in a modern, developed country such as ours. Therefore, given that road's strategic UK importance for tourism and for shipping products generated locally south and out to European markets, any encouragement that the Scotland Office can give would be welcome.

Over the coming year, we will face a very hard time indeed in our employment prospects and the social impact they will have. Let us hope that, beyond the fairly thin content of this Queen's Speech, there is action that the Government can take.

9.40 pm

David Simpson (Upper Bann) (DUP): I realise that many of the matters that we might address in this debate have been devolved to the Northern Ireland Assembly, but there are some points I would like to raise. In debating the matters before us, we could do worse than go all the way back to a previous Queen's Speech, when Her Majesty said:

"A stable economy is the foundation of a fair and prosperous society. My Government will continue to maintain low inflation, sound public finances and high employment."—[*Official Report, House of Lords*, 15 November 2006; Vol. 687, c. 1.]

I will be generous to Labour Members by ignoring the obvious temptation to say that a stable economy is one that is not beset by boom and bust. However, although I will resist that temptation, I will point out that economic stability is foundational to almost everything else a Government might seek to do.

That brings me on to the issues of employment and skills. I spent almost 30 years building up my own company before I entered full-time politics—and I suppose there are those in Northern Ireland who would say that I would have been safer if I had stayed in business and not gone into politics, but we shall not elaborate on that. I know what it is to struggle and to work long, hard and unsocial hours to make a business a success. It is a bit like being an MP; the roles have a lot in common.

I started the company when I was a young man of 19. I was what one would call wet behind the ears, and I admit there were times when others in the business

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world took advantage of me and my family within that business because of my lack of experience. That was 30-odd years ago in Northern Ireland, and things were different there then. We did not have innovations such as training to be a business individual or entrepreneur. It was difficult, because things were hard in Northern Ireland, as all Members will know.

I noted what the hon. Member for Glenrothes (Lindsay Roy) said about funding for science education. He is not in the Chamber at the moment, but I agree with what he said. More money needs to be invested in such skills; I will elaborate on that later.

Just last week, I met local business people in the Province, including representatives of a company that employs more than 40,000 people worldwide and has annual sales of about £5 billion. Many of their concerns are very similar to what I have encountered in a much smaller measure and are shared by business and employers across the United Kingdom. I am thinking, for example, of the sheer number of people who present themselves as potential employees without having even the most basic skills.

The hon. Member for Bolton, South-East (Dr. Iddon) mentioned science funding. A large pharmaceutical company called Almac, which is based in my constituency, is considering developing a new site to employ some 300 to 400 young people—technicians and young scientists. In my recent meeting with the company, I discovered that it honestly does not know where it is going to get those people from, unless it looks to eastern Europe or the United States. We need to support and fund science courses in order to fill the gaps that exist across the whole of the United Kingdom in this area.

Education must be tailored to the needs of the workplace. There is absolutely no point in someone's going to university, getting an honours degree in karaoke singing or whatever, and then looking to get a job in the real world. Such an approach does not and cannot work, and those people will end up out of work. I hope that the proposed education and skills Bill and apprenticeship Bill will prove to be a step in the right direction—we shall wait and see. Apprenticeships should be embedded in the workplace and not left solely to the classroom.

This is not only about the skills of the prospective individual member of staff; it is about the skills of the company itself. Research and development uptake needs to be emphasised and prioritised. I have been struck by the absence of any recent mention of trade unions by those on the Government Benches and by the fact that trade unions were not mentioned in Her Majesty's Gracious Speech. We are told on a daily basis that the country faces a global economic crisis and that every part of the world is suffering because of what began in the USA. If that really is the case, and if it is true that the UK is facing into the same wind and storm as the rest of the world, surely we should seek to give ourselves every possible advantage over the rest of the world. In such circumstances, do trade union leaders not have an important role to assume?

My own constituency recently faced the possible loss of 120 jobs as a result of the threatened closure of the local offices of Her Majesty's Revenue and Customs. I lobbied the right hon. Member for Liverpool, Wavertree (Jane Kennedy), when she was Financial Secretary to the Treasury, and her successor, the right hon. Member for East Ham (Mr. Timms), and I am pleased to say that those jobs have been saved. One of the key elements in that was the very positive campaigning on the part of the unions, and I want to commend them for their efforts in securing those jobs and ensuring that those 120 homes will be much happier over the Christmas period than they would have been otherwise. But it is not always like that.

As I have said, if what the Government tell us about the economic crisis is correct, we should give ourselves every possible advantage and that surely means that at the very highest level there must be a coming together of government, employers and trade unionists to agree that the first priority is to get through the current situation successfully. That is especially so given the many billions of pounds that the Government have thrown at the problem.

The Chancellor has recently outlined proposals in relation to tax and VAT that he is going to use as a temporary measure, and he has told us that it may well be the case that we shall all pay a bit more down the line. Well, if that is to be the case and if there is to be a bit of additional financial relief over the next couple of years, should not that be matched by trade union leaders making it clear that for the same period of time they will exercise caution in wage demands? If on the one hand the Chancellor is trying to ease the pressure on the economy, employers and jobs by taking the action he took, would the potential benefits not be increased by a reciprocal move by the unions? Would that not greatly assist business needs and be a positive contribution to employment prospects over coming months? After all, with unemployment at almost the 2 million mark and projected to rise as high as 3 million, I would imagine that trade unions would want to see their members remain in jobs rather than end up on the scrapheap.

A few moments ago, I used the phrase "business needs". In looking at the Government's programme as outlined in Her Majesty's Speech, I have to say that I am not convinced that business needs will necessarily be best served over the coming period. There are some positives, that is true. A female should be paid the same wage for doing the same job as a male. The gender pay gap needs to be closed and I hope that the equality proposals will achieve that end. But there are other measures that I fear will not have a positive effect. For example, the plan to further extend the right to request flexible working is fraught with negative potential. The fact of the matter is that while it will only be right to make the request, that right will come with a moral pressure on many small businesses. To me, it is simply not in the business needs to introduce this at this time.

Let us think, too, of the opportunities missed. While on the one hand the Government are intent on pushing through the flexible working proposals, they have failed to address the ongoing bureaucracy and regulation industry that has cost the country many billions of pounds over recent years—the very money that could have contributed to the Chancellor's financial stimulus package.

We know that as recently as last year the Government said that they would deliver 3 million new homes by 2020. Speaking in July 2007, the Prime Minister said:

"it is right, in the interests of good and open government and public debate, that each year the Prime Minister make a summer

statement to the House so that initial thinking, previously private, can be the subject of widespread and informed public debate. Putting affordable housing within the reach of not just the few but the many is vital both to meeting individual aspirations and to securing a better future for our country".—[*Official Report*, 11 July 2007; Vol. 462, c. 1449.]

He also said that the annual target would be raised from 200,000 to 240,000 new homes in England from 2016.

At the time, *The Independent* newspaper ran a headline that read "Brown's plans to build three million new homes 'will bankrupt social housing sector in five years'." The story quoted the National Housing Federation, which claimed that the Government's financial predictions were based on an assumption that housing associations would fund the work by taking out huge loans that, in fact, they would be unable to afford.

What became of those plans? How close are the Government to fulfilling that pledge? Of course, it could be argued that the crisis in social housing—for it was and is a crisis—was inherited by the Prime Minister from his predecessor, who saw the number of social houses built per year fall to just over 17,000. Be that as it may, the Prime Minister was still the Chancellor at the time and he is now the man in the hot seat. I remain to be convinced that the need for social and affordable housing will be met by any of the measures outlined by Her Majesty.

All in all, many people—whether they are members of the business community or in jobs that are at risk, are unemployed or homeless, or are young couples just starting out in life together—will feel short changed. I would be hard pressed to argue that they were unjustified for feeling that way.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. There are 44 minutes left before the wind-ups will begin and five hon. Members seek to occupy that time. Perhaps they will take a hint from that.

9.56 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It is an honour to participate in this important debate. It is the usual debate that we have following the Queen's Speech, but we are certainly in unusual times. The content of the speech and the ideas and the vision displayed by the Government are under scrutiny and are all the more relevant as the scale of the recession becomes apparent.

Of course, this is the second opportunity that the Government have had to lay out their store following the pre-Budget statement, which was a chance to map the course that would be taken to weather the unsettled phase of this economic cycle. It has now become apparent that this is less about economic cycles and more about political cycles. As the dust settles, we see that Labour has provided £20 billion of savings but £40 billion of taxes. The cut in VAT is being seen and treated as a gimmick and there is no common sense in increasing taxes through national insurance at the very time when businesses want a reduction in taxes.

Rumour has it that the Chancellor will be back at the Dispatch Box in the not too distant future with another idea and will probably have to borrow more money, too. He will no doubt repeat the claim that the whole crisis started in the United States with the sub-prime market, but it was this Government who stripped the Bank of England of its historic ability to ensure that banking credit was kept within reasonable limits, this Government who allowed banks to offer massive loans and mortgages to those who could not afford them, and, of course, this Government who spent so much that they have no other choice than to borrow more money now. The result is an unsustainable debt-fuelled boom, followed by one of the biggest busts in history. I understand that the UK is now forecast to have the worst recession of all the G8 countries.

I mentioned in an intervention the other claim that the Prime Minister is keen to put forward, which is that other countries are copying the approach of weathering the recession with recapitalisation of the banks. That part is true, but whereas the £37 billion of taxpayers' money that the Government have lent to the banks has been lent at an annual coupon of 12 per cent., that figure was about 5 per cent. in Germany or the United States. At the same time, the Government are asking banks not only to hand those loans on to small businesses but to sort out their own debts. They cannot do both, and that is why the money is stuck and why it is not getting down to the small businesses.

We have touched a lot on employment, so it would be good to take stock after the monologue we heard from the Secretary of State. We would be forgiven for thinking that things were going well, but 5 million people are still on work benefits. Unemployment is rising and is at its highest for 11 years.

10 pm

The debate stood adjourned (Standing Order No. 9(3)).

Motion made, and Question put forthwith (Standing Order No. 15),

That at this day's sitting, proceedings on the Queen's Speech (Motion for an Address) may be proceeded with, though opposed, until 11 o'clock.—*(Ian Lucas.)*

Question agreed to.

Debate accordingly resumed.

Question again proposed.

10.1 pm

Mr. Ellwood: Two in three of all jobs created are in the public sector, according to the *Financial Times* today. Four in five jobs created by the Government have been given to migrant workers.

We had a brief discussion about the importance of level 3 apprenticeships. The number is down and has been falling for the last seven years, yet those apprenticeships are critical in supporting businesses' employment and training needs. The Government are not taking us in the right direction.

More important is the worrying cultural change and the attitude of today's youth towards work. A small but increasing number of people are growing up to believe that it is acceptable to live off the state. The economic and social significance of that is extremely serious. With limited ambitions, people do not gain educational qualifications to the same standard, skills are not obtained and the capability of the work force is diminished. If there is one failure that hangs round the neck of the new Labour project, it is that it has overseen a generation's

[Mr. Ellwood]

declining aspiration in favour of the expectation of state support. It has never been easier for Britons to be sponsored by Government to do nothing. That is a sad indictment of where we are today. It not only costs the state more in increased handouts, but there is a loss of potential income tax, which means less money for the Government to inject in the economy.

An area of the economy that is suffering, and has not been mentioned yet, is tourism. It is Britain's fifth biggest industry and of huge importance. It generates revenue of about £90 billion a year and is considered the hidden giant of our economy. Tourism is twice the size of the IT sector and four times the size of the agricultural sector, yet it is rarely mentioned. It is responsible for one in four of the new jobs created in the UK, and with 30 million visitors to the UK every year we are the sixth most popular country in international tourist tables—something of which we can be very proud indeed.

The recession is not just affecting businesses through the banking crisis, but also because fewer people are choosing to holiday and to travel from abroad to seek work in the service industries. Labour is ignoring the problems of the tourism industry. When I asked the Minister with responsibility for tourism when she last had conversations with her counterparts in the Departments for Transport and for Business, Enterprise and Regulatory Reform, and indeed the Treasury, I found that such meetings never happen. No one in the Government is looking after tourism from the Government perspective.

To make matters worse, a complicated and confusing structure is compounded by devolution. Visit Scotland does its own thing, as do Visit Wales and Visit England. Regional development agencies disperse responsibility for tourism around nine regions, to the point that in Boston, Massachusetts there are separate offices for six RDAs representing different corners of Britain, all trying to attract people to the UK. How mad is that? There is overlap that needs to be addressed, but it has not been done because no one in the Government is taking responsibility.

Another example of poor co-ordination is between the Home Office and the tourism industry. Visa costs have jumped by 130 per cent. according to the Tourism Alliance, which has led to a loss of about £160 million a year. That is bad enough, but if we look at who is coming to Britain, we see that although there were 100,000 applications for British visas from China last year, France and Germany receive 500,000 tourists from China every year. That is simply because the visa for those countries is so much cheaper.

Heathrow is another great example of a failure of co-ordination between Departments to ensure that the gateway to Britain is something of which we can be proud. The Heathrow experience is now listed as most business people's first bad impression of Great Britain, yet no one takes responsibility for co-ordinating all the agencies, organisations and Government Departments so that we can try to correct that.

A recent report by Deloitte shows that there is an absence of proper Government support that would allow the United Kingdom to punch above its weight when it comes to tourism. The last tourism Bill to pass through Parliament did so in 1969. We are overdue an assessment of where British tourism stands. One industry that could have been helped is the pub industry. I am sure that you, Mr. Deputy Speaker, are a supporter of your local traditional pub, as many of us are. It is in such pubs that responsible drinking takes place. Sadly, 36 of those traditional pubs shut every week. Once they are closed, they are gone for good.

What have the Government done to help those pubs? They decided to increase duty on alcohol. There are reasons why they did that, to do with tackling the booze culture, but the move affects traditional pubs across the board. Apparently, duties have gone up to negate the reduction in VAT, but when VAT goes back up again next year, will duties go back down? No. It is yet another whammy that will hit our traditional pubs.

The reduction in VAT is viewed as a joke. Many small and medium-sized businesses in the tourism industry are already offering 15 per cent. discounts, so reducing VAT by 1, 2 or 3 per cent. is negligible; it has no impact whatever. The administrative changes needed to show the reduction in VAT will cost each retailer an average of about £2,300—and the change is to be for just one year. Tourism is important to Britain, yet we are not harnessing the opportunities that British tourism could provide. That attitude will not change until the Government start to appreciate this £90 billion industry, which accounts for 1.4 million full-time employees—that is 7 per cent. of the work force—and 200,000 small and medium-sized businesses.

I shall conclude, because I know that time is against us. We enter the stormy seas of this recession poorly prepared, and we are all the more exposed as a result of failure to navigate the quickest course out of it. Instead of assisting small businesses, we are burdening them with higher taxes. Instead of helping banks to provide loans, the Government are loaning taxpayers' money to banks at 12 per cent. interest, which means that there is no liquidity to pass on. Instead of harnessing the full economic potential of the next generation, the Government are fuelling a cultural shift towards mediocrity.

I fear that only a change in Government will invigorate people and bring about the seismic shift that is needed to reverse that flawed attitude. I hope that after that change, we will be able to rejuvenate the next generation, so that they stay in school until they are 18 not just because the Government tell them to, but because they want to; so that they seek a job not because otherwise they will lose their benefit, but because they have a skill on which they can build, that gives them a good salary and of which they can be proud. For the sake of Britain, the sooner the next general election is called, the better.

10.8 pm

Mr. Edward Timpson (Crewe and Nantwich) (Con): Thank you, Mr. Deputy Speaker, for allowing me to contribute briefly to this important debate on issues that are ever more relevant. In the six months for which I have had the honour of representing the people of Crewe and Nantwich, the issue of employment has never been far away. As the weeks have progressed, the issue has become more and more pressing.

I am sure that none of us in the House wishes to see our constituents struggle as a result of losing their job or livelihood, and I am sure that we all do what we can to prevent that from happening, but one of the harsh

realities of a recession is large-scale unemployment, and that seems particularly to be the case in this recession. A Local Government Association report suggests that there will be 230,000 job losses in the north-west by December 2010. In Crewe, there have been recent job losses in the public sector. There is the closure of local post offices and the imminent closure of the Royal Mail sorting office, with the loss of 600 jobs. As of last week, the third-largest Her Majesty's Revenue and Customs office in the north-west was to close, with a loss of up to 80 jobs. In the private sector, the car, manufacturing and retail industries are all prominent, with the likes of Bentley, Bombardier, Focus DIY, Woolworths, MFI and others all feeling the crunch in the current conditions, which will have a significant impact on the local economy.

Crewe is synonymous with the rail and motor industries, which continue to provide the backbone of the local job market together with, in more recent years, the retail and service sectors. As the recession bites, there is an opportunity not only to secure the short-term survival of those industries and businesses but to prepare them for long-term sustainable recovery. I agree with the Government, albeit not necessarily on their suggested implementation, that we have been presented with an opportune moment to invest in the training and skills necessary to see us through the short and the long term. There is a huge dearth of skills, particularly in the engineering sector, which has been recognised by the Secretary of State himself. In Crewe, Bentley has 3,500 employees, and runs a successful apprenticeship scheme that it intends to expand, despite the downturn. Bombardier, LNWR, Freightline and other railway industries that are part of the Crewe railway network have waited a long time to ensure that their apprenticeship schemes are full, and they all have long waiting lists of people who want to join the industry.

On 10 November this year, the Minister for the North West said:

"The challenge we face is that within the next decade, large numbers of unskilled jobs will be replaced by high-skilled ones. We must ensure that the north-west workforce is not left behind."

That is precisely why, with others—I am glad to see the Under-Secretary of State for Innovation, Universities and Skills, the hon. Member for Birmingham, Erdington (Mr. Simon), on the Front Bench, as he was involved in the Westminster Hall debate on the issue—I have advocated the overwhelming case for a national railway skills academy in Crewe that is employer-led and meets the short and long-term needs of an industry that is getting back on its feet and is on the rise. This could not be a better moment, from the Government's perspective and for the Opposition, for such an initiative to be put into practice.

Not all the employment difficulties are a direct result of the downturn. The public sector work force in Crewe have been hit hard by the closures that have been announced of the Royal Mail sorting office and the HMRC office, both of which are unconnected to the credit crunch. Both consultations began before the economic crisis, yet the Government have seen fit to continue with that folly, despite the need for those jobs in future. As a consequence of the independent Lyons review of public sector relocation, the Government recognised the need for the transfer of civil service jobs from London and the south-east to the regions, and the review said:

"The Government is committed to improving the efficient delivery of public services, boosting regional economic growth and bringing government closer to the people, through greater decentralisation and devolution."

By making those announcements on HMRC and Royal Mail in Crewe, however, they have done the exact opposite. They have started to centralise those systems, taking away local jobs and services at a time at which they are most needed.

In July 2003, the then Minister for Employment and Learning said that

"recent job losses in the north-west make co-ordinating the response by Government, education providers and local communities essential".

It appears in Crewe, however, that the Government have not learned that lesson, and good-quality public sector jobs have been lost, with no proper consultation with the local community. Along with that, there is a loss of valuable local knowledge and expertise, which will have a direct effect on local families and businesses.

The two Government Departments responsible for the restructuring of both Royal Mail and HMRC worked independently of each other, with no apparent thought given to the overall consequences for the local economy, which flies in the face of the concept of joined-up government and of a co-ordinated approach.

The Government's response to the vehement and united campaign to keep open the HMRC office in Crewe was particularly depressing for two reasons. First, by moving local public services away from local people, the Government are doing the exact opposite of the commitment given in response to the Lyons review. Secondly, by not pursuing a local strategy to deal with the recession, places such as Crewe are being hit disproportionately. In a town that still relies heavily on its manufacturing and motor industries, the opportunity to keep efficient, dedicated, valuable, local public sector staff in work has been missed. That would have softened the blow and given the local economy of Crewe and Nantwich the platform on which to rebuild. It is not too late for both Government Departments to grab that opportunity.

10.15 pm

Mr. Phil Willis (Harrogate and Knaresborough) (LD): It is always a joy to sit in on debates and hear so many speeches from hon. Members in all parts of the House who bring to bear what is happening in their constituencies. The hon. Member for Crewe and Nantwich (Mr. Timpson) did exactly that from his own perspective.

I was struck earlier by the comments of the hon. Member for Bolton, South-East (Dr. Iddon) when, as he always does in the House, he gave a staunch and steadfast defence of British science and argued strongly for continued investment in it. His comment about what we should not do during the recession was interesting. If one point that I make tonight should be taken on board it is that we must not cut back our investment in science, particularly in basic research. It is basic research that creates the bullets to fire at wealth creation, with the advantages that that brings.

There was a suggestion in the hon. Gentleman's comments that there is a dichotomy between basic research, and translational research and wealth creation. We must not make that mistake. I said earlier in an intervention on the Secretary of State that last Monday I was at Honda Formula 1 at Brackley, not knowing

[Mr. Phil Willis]

that a week later it would be up for sale. Speaking to the great engineers operating at Honda Formula 1, it was interesting to learn that they are developing cutting-edge technologies, which must be changed from race to race in order to compete and to shave a fraction of a second off a race time. One of the most impressive elements that right hon. and hon. Members who visited the site were shown was a new composite gearbox. Nobody believed that a gearbox could ever be made from composite materials. The conventional technology is to make it out of some alloy or steel material, but that is extremely heavy. The composite gearbox was developed as a piece of technology purely in order to drive down the weight of a car so that it could go faster.

The point of bringing this development to the attention of the House is that the technology could have the most profound effect by reducing costs in the motor industry and the transport industry, because as soon as the weight of the gearbox of a bus or a truck is reduced using composite materials, there are massive savings in energy use by those vehicles. Yet when we were speaking to Ross Brawn, the chief engineer at Honda Formula 1, it emerged that no member of the Government had ever been to see how those technologies could be transferred—although, to be fair, the technology strategy board had had a meeting at Brackley just a few months earlier. It is rather sad that the technology strategy board goes, Members of the House of Commons go, and then Honda Formula 1 closes.

Technology transfer does not simply come out of universities into companies. It also comes from companies into other companies and into universities. It is a cyclical process, rather than a straightforward linear one. I am delighted that the debate this evening has concentrated on skills and that through the Bill in the Queen's Speech, the Government continue to argue that skills are at the heart of productivity and at the heart of the agenda, and that we must not take our eye off the ball.

Every single inquiry that I have been involved in since becoming the Chairman of the Science and Technology Committee, and now the Innovation, Universities, Science and Skills Committee, comes back to a fundamental issue: we are not producing enough young people with science, technology, engineering and maths backgrounds to become the wealth creators of tomorrow. That point was made by the hon. Member for Upper Bann (David Simpson), who is no longer in his place. Every business we speak to says exactly the same thing, and every university makes the same claim.

According to the Royal Society's research, during the whole of the period between 1996 and 2007, less than 12 per cent. of all the children who left our schools took an A-level in biology or maths, less than 7 per cent. took one in chemistry and less than 6 per cent. took one in physics. As we have seen as the bubble has burst, we cannot rely on a service-led economy, a large proportion of which is dependent on financial services, and simply believe that in that way we can pay our way as a nation in the 21st century. We have got to start making and manufacturing things again, and to do that we have to have a stem base. There is nothing in this new Bill, other than structures, to deal with the underlying problems with our economy.

The Leitch agenda underpins much of the Government's thinking, and Lord Leitch's report was an excellent analysis of where we were going, but it was a 2004 to 2006 analysis. To be fair, the Government's response was to accept Lord Leitch's recommendations, but his report is all about upskilling and qualifications. The idea that qualifications equal skills, equals productivity is in my view a flawed equation. We need to look again at Leitch. Yes, we should deal with his analysis, but the Government should have the courage to recognise that if, by this time next year, there are 3 million unemployed—God forbid that we ever get to that state—it is not the NEET group, those not in education, employment or training, who are of the greatest significance to our economy and nation; it is the 3 million who were in work but are no longer, and who need not simply upskilling but reskilling. That is at the heart of what the Government should be concentrating on in the Bill, when it is amended.

I compliment the Government on the issue of apprenticeships, however, which is dealt with in the Bill. I do not want to argue about whether apprenticeships were better in the past or there is a greater vision now. The reality is that this is the first Government during my lifetime who have said on education and skills training, "Let us have a target of 400,000 apprentices by 2020." I do not believe that they can possibly get to 400,000 quality apprenticeships by 2020, but it is an objective worth pursuing. We must not pursue it, however, simply as a quantity target. If we do not ensure that those apprenticeships are of a high standard—if we dumb down the brand—we will do far more to disadvantage people following apprenticeships than before.

I ask the Minister please not to get hung up on the issue of making an offer. Simply saying to tens of thousands of young people, "We will guarantee you under the law an offer of two apprenticeships, provided that you have the relevant qualifications", is not achievable, in my view. It is a laudable objective, but translating it into law means that targets will have to be manipulated in order to be met, which would be wrong. We have to have more employers involved in apprenticeships. In the boom times, one in 10 employers has engaged with apprenticeships. Why on earth will they do so in the down times when, traditionally, training is one of the things to be cut? My plea to the Minister is to be realistic when he starts putting this proposal into operation. He will get the support of the House if he does not get hung up on false targets, and if he is realistic about his objectives. Members on both sides of the House want the Government to succeed in the skills agenda, where frankly, we have all failed in the past.

10.24 pm

John Howell (Henley) (Con): The Government paint a rosy picture of apprenticeships and of the skills of the nation as a whole. However, there is a great difference between the picture given for external consumption abroad and what the statistics say at home. According to the UK Trade and Investment website, we should wonder why we need this debate at all. Having said that employment is at a record level, it goes on:

> "The strong skills base in the UK is reflected in its excellent record of attracting major foreign investors".

Perhaps the website has not been updated for some time, but the reality is somewhat different. Many businesses

find it difficult to find staff with the right skills. Five million adults are functionally illiterate and 17 million have basic numeracy problems.

Local companies do not need to be told by the Government about the benefit of apprenticeships. Having visited a number of companies in my constituency, including manufacturing and engineering companies, I can say that they know the benefits of apprenticeships all too well. Indeed, at one company the managing director had come up by just that route; he praised his apprenticeship not only for the engineering skills but for the general business skills that it had given him. He became able to see the perspective of the business as a whole, which made him confident enough to carry on as managing director.

Many of the businesses that I have mentioned have recently run apprenticeships; such businesses are in the best position to know what type of apprenticeships they need and when in their own business cycles apprenticeships should be taken on. They do not need to be strong-armed into apprenticeships, but for now they are preoccupied with the banks' withdrawal of facilities, the increase in national insurance, the management of cash flows and the staving off of making redundancies among long-serving, already skilled staff. They are battling to try to keep the jobs that they have.

The Government talk of demand-led apprenticeships, but clearly they see demand from only one side—that of the individual. Demand also needs to be understood from the company side. Good apprenticeship schemes cannot be conducted in isolation from businesses, but should work with businesses. Hopefully, local learning and skills partnerships provide a route for that. My county council, of which I am still a member, has ensured that its learning and skills partnership is led by a senior local business man, and it is all the better for that. However, businesses—even small and medium-sized enterprises—are not resistant to training. I recent visited a training provider, Henley college, in my constituency, and its representatives were full of praise for how local SMEs were committed to training and employment way beyond the apprenticeship. However, there is a need for business flexibility so that SMEs can choose the best route for themselves. That route will change over time.

The public sector is not as behind as the Government like to make out. What they say might be true of Whitehall, but the Minister may like to consider the case of some local councils. My county council now has about 50 apprenticeships, ranging from social care to outdoor education to civil education and some administrative areas.

Rob Marris: With respect, it is the hon. Member for Havant (Mr. Willetts) who is not being clear. On at least two occasions when opening the debate he referred to the fact that there were about 3,200 apprenticeships—I cannot remember the exact figure—in central Government. That is a low figure, but it relates only to central Government. He completely overlooked what my right hon. Friend the Secretary of State for Innovation, Universities and Skills and I said about apprenticeships in local government, which have also been mentioned by the hon. Member for Henley (John Howell), and about apprenticeships in the NHS.

John Howell: I am sure that my hon. Friends on the Front Bench appreciate the role played by local government in apprenticeships.

I am encouraged that local groups of SMEs are coming together to consider the provision of support and training as a group, often on a self-help, mutual basis. That is certainly happening in my constituency. However, business is suspicious of Government involvement in apprenticeships and training for good reason. The Train to Gain exercise is widely seen as a one-size-fits-all approach that takes no account of the specific needs of areas, even within an area such as a constituency, and it is widely seen as complex and confusing. Furthermore, there are doubts about whether it adds anything new and whether there is any real test of additionality in what it delivers.

No one will miss the Learning and Skills Council, but there is no confidence that what replaces it will be any better. After all, its constant reform has been described by the general director of the British Chambers of Commerce as a constant reshuffling of deck chairs that has held back progress in vocational qualifications. There is no confidence that the Government will be able to simplify matters or avoid interference. Even where there has been a transfer of funds to local government, one need only see the constant stream of circulars and departmental memos that hit the desks of almost all senior council officers to realise that the Government regard local government as nothing more than their own local Executive arm. We need to ensure that bureaucracy is genuinely removed.

Let me turn finally to the provision of employment training. The Government have consistently missed the point as regards the difficulty of providing skills and employment services in a rural environment. A rural environment involves greater expense. Fewer providers operate in it, there is less choice for the individual, and there is almost no travel to get about in order to do the training. That has an impact on the job prospects of some of the most vulnerable people. Let me give two examples from my own constituency that arose as recently as last week.

A training and support consultancy for horticulturalists, which is doing extremely good work with people with various disabilities, is likely to have great difficulties in continuing because of the burdens placed on it as a result of the shake-up of procurement within the Government. If it does continue, there is likely to be a reduction in the amount of time that people with disabilities spend on individual modules in the training schemes. That is a great shame, because this is an example of tackling the barriers that people face while providing them with real experience.

The second example concerns ex-offenders in my constituency—even Henley has some ex-offenders—who have been ordered to get on to courses but have to go as far as Oxford. That may not seem a huge distance to Members, but it is a very tortuous route. The buses do not run on time, and it may be necessary to take several different ones. The scheme is designed for failure. That is not how we should proceed. The Government need to acknowledge that the rural dimension is special and that we need to take that into account.

10.32 pm

Andrew Stunell (Hazel Grove) (LD): I do not have long, but it would be remiss of me not to commend the maiden speech by the hon. Member for Glenrothes (Lindsay Roy), which was assured and witty. Let me also put on record my strong support for what my hon. Friend the Member for Brent, East (Sarah Teather) said from the Front Bench about housing. I want to address my remarks to the quantity and quality of housing.

The hon. Member for Upper Bann (David Simpson) said that the Government's intentions as regards the quantity of housing have been seriously undermined over the past six months. The small amount of social housing as well as a catastrophic fall in the private housing sector interact with the quality of housing. In England, we have the most expensive housing, the smallest number of houses in relation to households, and the worst quality of housing environmentally and otherwise. Housing produces 27 per cent. of this country's carbon dioxide emissions. The central point that I want to make to the Government is that as this recession develops, they will be strongly tempted to chase the quantity of housing and to sacrifice its quality. I urge the Minister not to do that. We have some 20 million homes at the moment, and at the current rate of building, 80 per cent. of them will still be there in 2050. If we got back to the level that the Prime Minister talked about in July, 70 per cent. of housing in 2050 would already have been built. We need new policies to ensure that new housing, including new social housing, is built to the very highest standards, but we also need to ensure that we tackle the problems with the existing stock. We need policies not just for the new housing, but for the 80 per cent. of it that will still be there in 25 years' time. We need policies that cut carbon dioxide emissions, cut people's bills and reduce fuel poverty. The Chancellor has said that he will do whatever it takes to tackle the recession, and I say to the Under-Secretary and the Government that tackling the problems associated with the existing housing stock would be a good four-way hit—cutting carbon dioxide, cutting people's bills, cutting fuel poverty and providing jobs. The retrofitting of energy-saving measures to existing housing ought to be high on the agenda. That process would be assisted by a cut in VAT for alterations and renovations, which in turn would end the paradox of it costing more to alter buildings than to build new ones.

We need legislative changes as well, and the process is not that difficult given that the law is already in place. I say without any shame that I promoted the Sustainable and Secure Buildings Act, which received Royal Assent in September 2004. That Act provides the Government with the levers they need to bring new buildings up to standard to tackle climate change, to allow for the alteration and repair of existing homes and to improve building standards in existing housing stock. One of the current paradoxes is that someone replacing a roof put on in the 1960s is required to do so only to the environmental standards of the 1960s. Many people would say that that was absurd. The process does not require zillions of pounds of public cash, but the Under-Secretary must implement the provisions of the Sustainable and Secure Buildings Act, which the Government and all parties supported in 2004.

My plea is that the Government should not chase housing numbers at the expense of sound environmental quality, and that they should make a resolute start—albeit an unnecessary four years late—on getting existing homes properly insulated and updated. They should tackle climate change, secure more jobs, tackle fuel poverty and give people well-being in their homes.

10.37 pm

Robert Neill (Bromley and Chislehurst) (Con): This has certainly been a wide-ranging debate, and hon. Members on both sides have brought to bear a considerable wealth of experience from their constituencies and their backgrounds, which was an advantage. For that reason, and because of the time constraints, I hope that Members will forgive me if I do not go into detail about all of their points. I would like, however, to join hon. Members in congratulating the hon. Member for Glenrothes (Lindsay Roy) on an excellent and well-received maiden speech. It was not that long ago that I, as a by-election entrant to this House, was in the same position. We all wish him well, and hope to hear from him again in the future.

It was apparent that a common theme ran through both elements of the debate—a litany of failure on the part of Government policy on skills and housing. My hon. Friend the Member for Havant (Mr. Willetts) dealt with skills at some length in his opening speech, and I will therefore not go into as much detail on that topic as I will on housing. It is important to reinforce, however, that evidence introduced by hon. Members strongly supported my hon. Friend's point. In the skills agenda, we suffer from a huge over-engineering and complexity in the systems for delivering desirable objectives. There are more funding streams and agencies than one would find in the wiring diagram for a modest-sized cruise missile. No wonder it is difficult for those seeking to enter the skills system—never mind businesses—to navigate. Greater simplicity and clarity would be a huge advantage, hence my party's proposals to concentrate heavily on apprenticeships, which have been referred to repeatedly in this debate, and to ensure an emphasis on practical learning, vocational skills and the needs of business, particularly small and medium-sized businesses. I am afraid that the Department for Innovation, Universities and Skills does not seem to have learned that lesson.

On housing, DIUS and the Department for Communities and Local Government at least share one thing in common: they seem almost to be in a competition to see how many initiatives and pledges can be abandoned. It is a bit like a competition between Elizabeth Taylor and Zsa Zsa Gabor to see who has the most discarded wedding rings on their dressing table. *[Interruption.]* I know that it was a long time ago for the Under-Secretary, but I am sure that he will have read about it in a history book. If he goes back to Madonna, perhaps he will get the same flavour, but it would be good for him to go back a little further.

Let me remind the Minister of some issues closer to home. We have seen the collapse of delivery in the Government's housing policy. The root of all our problems is that not enough homes are being built and it is this Government who are failing to build them. On average, 31,000 fewer homes are being built a year than under the previous Conservative Government. Fewer affordable homes are being built. Not once in all these years have the Government built as many affordable homes, which are at the sharp end of need, as were built in any equivalent year under the Major and Thatcher Governments. That is a lamentable failure of the most vulnerable and the most in need.

The private housing sector has also been subject to failure. No wonder there is so much legitimate concern about repossessions, to which hon. Members have referred. Why is that such a difficulty? Not only is there a lack of supply arising from the Government's policies, but the explosion of easy credit exacerbated the problem and pumped up the housing market in an unsustainable fashion. Who is responsible for driving that? *[Interruption.]* It is no one on the Conservative Benches, as the hon. Member for Wolverhampton, South-West (Rob Marris) well knows, but the Prime Minister, first as Chancellor of the Exchequer and now as Head of Government. Who personally removed the Bank of England's power to call time on bank lending and who stoked up an unsustainable housing boom? It was the Prime Minister. Now that the consequences are coming home, it is ordinary hard-working families who are having to bear the brunt.

Abandoned ideas litter the Department for Communities and Local Government a bit like the abandoned gun carriages that littered the road from Moscow back to Paris in 1812. There has been a full-scale retreat by the Government on those policy issues.

Rob Marris: "War and Peace".

Robert Neill: We could probably have read "War and Peace" in this debate.

Hon. Members will remember that there used to be a target to build 3 million homes by 2020. Then it ceased to be a target and became an ambition. What happens to a target that becomes an ambition? It becomes an aspiration. Now I read from the new Minister for Housing that the ambition has become a challenge. What it comes to is this: a target that becomes an ambition, which then becomes an aspiration, which then becomes a challenge, turns out to be a pipe dream and a confidence trick on the British people.

The Government have dropped another target, on eco-towns, to which my hon. and learned Friend the Member for Harborough (Mr. Garnier) referred. That target, too, is now an ambition and will become an aspiration and then a challenge, so at least the Government are consistent in the methodology and the words that they use. That is a skill that they have acquired at any rate, and we should be grateful for that.

Finally, there is the social homeBuy scheme, which relates to a matter of real concern. People who are struggling to keep their homes are subject to acute pressure, but what did we get to address that? We got a particularly cruel situation. Hopes were raised by a scheme that it was said would assist some 10,000 families over two years, but how many families have in fact been helped? At this time of particular need, 235 families have been helped. That is a shameful and abject failure by the Government in the very years when one would have thought that they would have more to do. Ministers must understand that the failure of the social homeBuy scheme naturally makes the public hugely sceptical about the latest initiative to assist people with mortgage arrears.

Once again, that latest initiative is an interesting scheme. We were first told by the Prime Minister with his usual hyperbole that all the major lenders had signed up, only to find that just two had gone into any detail about the assistance to be offered. As everyone said, it is only by seeing the devil in the detail that we can understand the concerns about the scheme.

What is sad is the real lack of initiative and the real lack of joined-up government. As Members have said, we are facing a recession that will test our economic resilience to the utmost. That is why the skills agenda is so important and why focus and determination are so important. The recession will test our social fabric to the utmost and nowhere is that more apparent than in housing. The Government's lack of imagination and their willingness to fall back on soundbites are things that the British people will not forget.

Housing is one of the greatest concerns of the British people. They work hard, they hope for and have an aspiration to have a decent home: it is the most basic of natural instincts. When the Government offer up ideas that they then casually abandon in a serial manner, it is no wonder that people lose confidence in what they can do and achieve. This is not the only instance where we have seen that problem, as we also saw it in the past. Once again, the Government are behaving in a way that causes the British people to lose faith—not in the Government themselves, although they certainly will in time, but sadly in the institutions of democracy. That is a serious failure of the Government in respect of the trust that people have placed in them. There is still time, if they could only get their act together, to do something constructive. On current form, however, what we are going to get is yet more spin, yet more soundbites and complete inaction on a key area of policy.

10.46 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): I begin by joining the hon. Member for Bromley and Chislehurst (Robert Neill) in paying tribute to all the contributions to tonight's debate. Hon. Members brought their experience, knowledge and considerable expertise to bear on the debate, which greatly benefited from it.

I start by paying particular tribute to my hon. Friend the Member for Glenrothes (Lindsay Roy) for his high-quality, witty and insightful speech. I have a great deal of affection for hon. Members who come here following by-elections. The hon. Member for Bromley and Chislehurst did that, and I did so about four years ago as a result of the previous MP representing Hartlepool, my noble Friend Lord Mandelson, moving away, although I do not really know what happened to that individual! After 11 years of a Labour Government and with the biggest financial turbulence the world has seen since the first world war, it is striking that my hon. Friend the Member for Glenrothes was able to win that by-election—and win it so decisively. That is testimony, first, to the policies that the Government are advancing and, secondly, to the personal qualities of my hon. Friend. He comes to the House with a formidable reputation in matters of education and skills; on the basis of his speech tonight, I am sure that we shall hear a lot more of him. He will be a true asset to this place.

The hon. Member for Havant (Mr. Willetts) displayed his usual smooth and articulate manner to the House, but I have to say with the greatest respect to him that he was somewhat complacent and disparaging about the success of a generation of young learners. He mentioned the importance of freedoms that incorporation in the 1990s brought to further education colleges in his area and others—and they were quite rightly welcomed, so I fully agree with him about that. He failed to mention,

[Mr. Iain Wright]

however, that FE colleges were not quite so grateful for the cut in sector funding—by 7 per cent. in real terms—during the four years up to 1997 or for the fact that earmarked expenditure on FE capital under the Major Government came to a grand total of zero. Public investment in adult skills since 1997, in contrast, has been transformed. It has increased from £3.8 billion in 2002-03 to £4.7 billion in 2008-09 and is planned to increase to £4.9 billion in 2009-10.

The UK has made strong progress in recent years, particularly in helping those with the lowest skills. Apprenticeship starts have increased from 65,000 in 1996-97, as my right hon. Friend the Secretary of State mentioned, to 184,000 in 2006-07. Crucially, the number of people completing apprenticeships has trebled. In England, the proportion of people of working age with no qualifications has fallen by almost 6 percentage points from more than 17 per cent. in 1997 to more than 11 per cent. in 2007. About 75 per cent. of economically active adults aged 18 and over are now qualified to at least level 2, which is a formidable record of which we can be very proud.

My hon. Friend the Member for Bolton, South-East (Dr. Iddon) made some important points about the marine and coastal access Bill. Perhaps more importantly, he brought to bear his considerable expertise in science and his history of teaching in a university under a Conservative Government. He mentioned the brain drain in the 1980s and 1990s, which has been stopped and reversed to the point at which senior international academics and students are now attracted to British universities. He mentioned funding for science and how important it was that it continued, which was echoed in the excellent contribution by the hon. Member for Harrogate and Knaresborough (Mr. Willis). Let me point out to the House the details of such funding over the past dozen years.

In 1997-98, the science budget was £2.4 billion; it is now £5.6 billion, and will be £5.9 billion in 2009-10. My hon. Friend the Member for Bolton, South-East and the hon. Member for Harrogate and Knaresborough mentioned the importance of the exploitation and commercialisation of research in higher education, on which they are absolutely right. They are obviously aware of the work of the higher education innovation fund in England, which helps knowledge transfer activities between universities and firms. As a result, university research income from contract research and consultancy has trebled since 2000 to more than £1 billion a year, and income from intellectual property licensing has also trebled. One of the areas in which I am interested is that of so-called green-collar—low-carbon—jobs, which can help to drive economic growth. It has been estimated that the overall added value in the low-carbon energy industry could be worth at least £3 trillion a year by 2050, and could employ more than 25 million people globally. Through the measures put in place by the Government, the UK is well placed to take advantage of opportunities for such technologies. The UK needs to build on that success by developing the appropriate skills, research and infrastructure base and making conditions conducive to innovation.

The hon. Member for Brent, East (Sarah Teather) described vividly and evocatively the pressures on both new supply of housing and the quality of existing housing stock. Her comments were echoed by the hon. Member for Hazel Grove (Andrew Stunell). He was concerned that we will go for quantity rather than quality. That is absolutely not the case—we need to ensure that we build homes to last, not to be condemned in 10 or 20 years' time.

The hon. Member for Brent, East gave somewhat grudging support for the Government's package on repossessions. She will be aware of the Prime Minister's announcements on the day of the Queen's Speech with regard to the home owner mortgage support scheme. As part of a wider package of help for home owners, that will enable ordinary, hard-working households that experience a redundancy or significant loss of income to reduce their monthly payments to a more manageable level by deferring a proportion of the interest payments on their mortgage for up to two years. The country's eight largest lenders, who represent 70 per cent. of lending, have already agreed to support the new scheme and have pledged to work with the Government to implement it. That is on top of an earlier package to help to minimise repossessions, such as opening the mortgage rescue scheme to vulnerable households, fast-tracking the set-up of mortgage rescue schemes, and making the support for mortgage interest schemes more generous. We will not leave hard-working families who are frightened about losing their home high and dry, as happened in the 1990s. We will do whatever it takes to ensure that hard-working families can keep their homes, and to minimise repossessions.

In an excellent speech, the hon. Member for Banbury (Tony Baldry) mentioned the growth in redundancies in his constituency, which he said had not been affected in such a way by previous downturns. His comments were echoed in the contribution of the hon. Member for Crewe and Nantwich (Mr. Timpson).

Let me put the position in context. This year, the number of people unemployed and claming benefits reached its lowest level for more than 30 years. The number of people in work increased by more than 3 million to about 29.5 million, the highest number ever. However, I do not want the hon. Member for Bromley and Chislehurst to think that I am complacent. I am aware of the pressures on employment caused by the economic downturn.

Mr. John Hayes (South Holland and The Deepings) (Con): Will the Minister give way?

Mr. Wright: Very briefly.

Mr. Hayes: The Minister has referred to unemployment and given some apparently impressive figures. He will know that the number of NEETs—people not in education, employment or training—has increased dramatically. Does he expect it to continue to increase, or to fall?

Mr. Wright: It is good to see the hon. Gentleman back from the pantomime, but this is a serious point. As with repossessions, we are keen to minimise the number of people unemployed as much as possible. We do not want people to say "This is good for the economy: it is inevitable that we have some sort of recession and some sort of growth in unemployment", so we are investing an extra £1.3 billion in Jobcentre Plus and other services over the next two years to respond to rising unemployment.

I believe that that will not only maintain but increase the support that we offer to people who unfortunately, as a result of the current global turbulence, may lose their jobs.

The hon. Member for Bromley and Chislehurst mentioned—again, in a thoughtful way—the frustration caused by the fact that some agencies, such as regional development agencies and local authorities, cannot gain access to funds in a coherent manner. The Government recognise that many businesses face real difficulties, and I think we have responded well by announcing a package of measures that will support small and medium-sized enterprises by addressing their top priorities: cash flow, access to finance, and training. Central Government are committed to paying businesses within 10 days, and RDAs are supporting that commitment. We are offering free health checks for businesses in England through the Business Link support services to help identify potential problems as early as possible, and we are providing financial information—produced by the Institute of Credit Management—to help United Kingdom businesses to maintain cash flow, which is essential at this time.

The hon. Gentleman mentioned eco-towns—after 19 minutes, which was probably a record for him. The hon. and learned Member for Harborough (Mr. Garnier) also mentioned eco-towns, along with the problems involved in a judicial review. A court hearing will be held on 22 January next year. The case concerns the process as a whole, but the challenge is very specific to Middle Quinton. We believe that we have followed the right consultation process, and we will contest the case robustly. We are determined to meet the twin challenges of trying to increase housing supply and addressing environmental issues, and eco-towns offer an exciting way of doing that.

My hon. Friend the Member for Blaydon (Mr. Anderson) spoke with eloquence of his experience and analysed with great accuracy the industrial policy of previous Conservative Governments, which was also mentioned by the hon. Member for Upper Bann (David Simpson). I was greatly interested by his comments about the trade union movement and its links, on our patch, with Durham university. He will be aware of the great work of union learning representatives, which has done much to upskill the work force. As a fellow north-eastern Member, I am aware of the links between businesses and colleges and how strong they are on our patch, particularly—as my hon. Friend said in his excellent speech—the link between Nissan and Gateshead college. I also agree with him about the central importance of local authorities in trying to adapt to harsh economic realities

The hon. Member for Bournemouth, East (Mr. Ellwood) was heavy on criticism but light on policy alternatives, which befits his position as a Front-Bench spokesman. I found the contribution of the hon. Member for Henley (John Howell) somewhat curious: he seemed to suggest that in attempting to attract overseas investment, the country should not publicise our strengths and competitive advantage. He too was heavy on criticism and light on alternatives, and I would imagine, with the greatest respect to him, that it will not be too long before he too is on his party's Front Bench.

The right hon. Member for Ross, Skye and Lochaber (Mr. Kennedy) mentioned employment in his constituency, and his fear that we might return to the 1980s when adult male unemployment stood at 50 per cent. He mentioned the problems involving Tarmac, which I shall pass on to my right hon. Friend the Secretary of State for Scotland.

The challenges facing Government are clear. We need to help people through these tough times and respond effectively to economic downturn. We need to prepare for the upturn, and lay the foundations for long-term prosperity and sustainable growth.

The measures we announced in the Gracious Speech offer real, practical help for families, businesses and communities in these difficult times, but we are also planning for the future, taking the decisions now to help the country prosper and thrive over the longer term.

11 pm

The debate stood adjourned. (Order, this day).

Ordered, That the debate be resumed tomorrow.

Business without Debate

ESTIMATES

Motion made, and Question put forthwith (Standing Order No. 145),

That this House agrees with the Report [3 December] of the Liaison Committee.—*(Barbara Keeley.)*

Question agreed to.

PETITION

Health Care (Sunderland)

Bill Etherington (Sunderland, North) (Lab): When a Member has 12,280 petitioners in their constituency, they do not have to be particularly wise to know that they have a lot of disenchanted, disappointed or angry people. What makes matters even worse is the fact that this particular petition is on the subject of the national health service, where the Government have done extremely good work, and that it revolves around the current Darzi proposals, which will undoubtedly bring overall improvement to the country as a whole. Unfortunately, however, because of the way the consultation procedure is being carried out, we now have more than 12,000 people who are up in arms about the situation they find themselves in, and who are very worried about the way the national health provisions will affect them. I shall read out the petition in the hope that the Secretary of State will take due note.

The petition states:

The Petition of residents of Sunderland and others,

Declares that they support their doctors in urging the Government to listen to local people and invest in every practice in their city to improve the health care of all patients in Sunderland, rather than in a small number of new practices which may benefit only a small percentage of the population.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Health to review and further invest in the funding of all NHS GP practices in Sunderland to ensure that health care improvements benefit the whole population

And the Petitioners remain, etc.

[P000292]

Consultations on Post Office Closures

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. McAvoy.)*

11.2 pm

Dr. Richard Taylor (Wyre Forest) (Ind): I am very privileged to be having this intimate exchange with the Minister. I am delighted to see that he will be replying. He knows the west midlands, and my part of it, well; indeed, he has been seen in dungarees driving a steam engine on one occasion. I shall also be fairly quick, as I am sure we all desperately want to get home.

The Table Office changed the title of this debate. I wanted it to be a little more confrontational, because the full title I had put down was "Meaningless consultations on Post Office closures". Perhaps the word that is now missing was felt to be too confrontational and therefore non-parliamentary, but I hope to prove that the consultation was not only meaningless but a complete sham. I shall also explain why we in Wyre Forest are experts in consultations.

Everybody knew the Post Office had to trim its branches—that it had to lose about 2,500 branches to remain viable. I was delighted when the Government announced the retention of the Post Office card account by post offices, because that avoided possibly a further 3,000 post offices becoming unviable, and I still hoped that the network change programme, which was going to public consultation, might actually be a real consultation and that there would be scope for changing the proposals if we could produce good grounds for doing so. Sadly, that did not happen and it was a rubber-stamping exercise.

For our area of Herefordshire, Worcestershire and the west midlands, the six weeks' consultation on the network change programme ended on 7 October. As we knew that it was to be scrutinised by Postwatch, the independent watchdog, we were hopeful that it would be open, fair, fully monitored and fully scrutinised. In Wyre Forest—this situation was typical of many constituencies—four branch offices were scheduled for closure. There was no argument about two of the closures—one of the offices was tiny and had few customers, and the other had not had a postmaster for quite some time—but there were tremendous arguments about the other two proposed closures.

Those two post offices were not loss making, and one was providing a vital service to a specific residential community. The other was providing the only banking facility to serve one of the main entrances to the town in question. As the Minister knows, I am talking about the road that runs from the Severn Valley Railway station. The road contains the county court, the magistrates court and about 48 small and medium-sized businesses, which need this particular office to do all their banking. Many of these are single-handed businesses, and the alternatives now offered to them mean that they have to use their car to go to a different office. If they choose to go to the one in the centre of the town, they face enormous queues, parking is difficult and expensive and instead of their being able to walk down the road for five minutes or less, their journey will take an hour or more.

The important local responses were sent to the Post Office by the closure date, and my own was copied to Postwatch. I gave details of the vital nature of those two branches, I enclosed petitions—they had 677 and 777 signatures respectively—and I pointed out some of the inaccuracies in the consultation details. Unanimous support for the two offices was provided in a detailed response from Wyre Forest district council. I listed the local businesses and gave details, because a survey carried out by the council had found that of the 30 businesses that had responded, some 20 used this particular branch two to four times daily. They had no convenient alternative, not only for postal work but for banking and the cashing of cheques.

Having done my job—I had met the sub-postmasters, councillors and constituents, and I had got my reply in on time—I sat back to wait. The consultation ended on 7 October, and we heard nothing until 28 October, when the decision to close all four post offices was published—what we had done had made no difference at all. Prime Minister's questions happened to be taking place the next day and, to my amazement, I managed to catch Mr. Speaker's eye. I had tried to phone Postwatch that very morning and, after being given the runaround on the phone, I discovered, at that late date, that it had ceased to exist as a separate organisation on 1 October—before the end of the consultation—when it had merged into Consumer Focus. The Prime Minister kindly said that he would talk to me about appeals against closures, but, realising that his diary was much fuller than mine, and on the advice of his Parliamentary Private Secretary, I put a few questions to him on paper. I asked how the consultation could be fair if the independent scrutineer had been merged and had taken its eye off the ball at that time.

On 4 November, I received an e-mail from the chief executive of Postwatch—I am sure that the Prime Minister had sent my letter straight on to him. He apologised for giving me the runaround on the phone but, more significantly, he apologised because a vital letter, which was supposed to have been copied to all MPs on 13 October—a fortnight before the closure decisions were finally made—had never been sent. It was not until after the final decisions had been made that MPs discovered that Postwatch had not taken into account any of the detail of the consultation responses that had mostly been sent to the Post Office. I appear to have been the only person to realise that if we wanted Postwatch to look at those submissions, we had to send them directly to Postwatch.

I had an e-mail on 12 November from Consumer Focus that made me even crosser. It implied that no one in the business community had replied to the consultation, because no one had sent a response direct to Postwatch. Even the district council's very full response had not been acknowledged by Postwatch. I had another e-mail from Postwatch at that stage, which said:

"I can confirm that no local businesses wrote direct to Postwatch in favour of retaining Comberton Hill. We only received one letter from a customer during public consultation which did not raise this particular issue. We do not have the opportunity to examine the full responses that are sent by customers direct to Post Office Ltd but we do receive a summary of responses received by them for each proposed closure following the end of public consultation."

So Postwatch does not see the responses unless they are sent directly to it. Postwatch also said that it has

"three main sources of information...customers raising issues direct with us...customers copying to us their letters and emails to Post Office Ltd...and the summary of responses that Post Office Ltd. prepares."

So we as MPs did not know, until far too late, that those crucial responses had never been seen by Postwatch, the scrutineers of the whole exercise.

Kidderminster's local paper, *The Shuttle*, had a front-page banner headline reading "Postbotch? Watchdog accused of falling asleep on duty over closure of vital post offices".

I had two reasons for applying for this debate. The first is general and the second is local. The general issue is about consultation. I have demonstrated that this consultation process was flawed. I was elected in the first place after an extremely flawed consultation process on hospital closures, and I said in my maiden speech:

"The wider issues on which I was elected are to campaign for...openness in decision making and against the use of spin, and for a greater voice for ordinary people in major decisions that will affect them".—[*Official Report*, 26 June 2001; Vol. 370, c. 549.]

In health, we have come a long way, because soon after I was elected the Government set up the Independent Reconfiguration Panel for the NHS. That panel is now being used more and more, and has just produced an up-to-date report entitled "Learning from Reviews—an overview".

The panel has carried out 14 full reviews and in three of them it did not support the authorities, which emphasises its independence. In four cases, it supported the authorities. In the other seven, it supported the authorities but with conditions, and with the sensible condition that replacement services had to be in place before changes were made.

The Department of Health is consulting in a meaningful way. If one Department can do that, other Departments ought to be able to, particularly when independent bodies are meant to be scrutineers. My first plea is that consultation should be looked at across all Departments to make it real and meaningful. As for the local issue, how can we move forward at home? We have lost two profitable, vital post offices and we have inadequate replacement arrangements.

I have three questions. First, is it true that if after closure a postmaster attempted to reopen to provide some of the same services, he would lose all the compensation that he had been promised by the Post Office? Secondly, how is it practicable for other local organisations to step in and run a vital branch? I understand that in Stroud the local council is considering the possibility of reopening a local branch. Essex county council is doing the same. Would the Minister support those moves, as they represent local government responding to the needs of local communities?

Finally, the Prime Minister kindly replied to my letter of 3 November only on 1 December. I want to read part of his letter in the hope that the Minister can clarify matters. The Prime Minister wrote:

"Turning to the review process for closure decisions after the local public consultation, this process can be invoked where Postwatch shows that, for an individual branch"

Post Office Ltd

"has not given due consideration to material evidence received during the public consultation in coming to its decision".

The huge problem is that Postwatch was not aware of all the major points that had been put forward, so how could it have said that the consultation had not been satisfactory? How could we, as MPs who did not get the crucial letter until far too late, do anything? The consultation in this case was a huge shambles and in a fair world the Government should order it to be redone. I am appealing to the Minister for answers and for any help.

11.18 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I congratulate the hon. Member for Wyre Forest (Dr. Taylor) on securing the debate at this perhaps later than planned hour. I have great respect for the hon. Gentleman and I know that he has pursued the issue with great tenacity and determination.

The hon. Gentleman's principal concern, as he has outlined, is about how the recent consultation process operated in his constituency, so I shall not take up too much of his time by going over the background to the post office closure programme in general. He will know that that background is a drop in the number of customers of about 5 million a week in recent years and a network that is losing £500,000 a day. Of course, the Government do not see the Post Office as a purely commercial network and that is why through investment, subsidy and funding debt the Government will put about £3.7 billion into the network between 1997 and 2011.

The hon. Gentleman mentioned profitability and asserted that the two branches in his constituency were profitable. But profitable from whose point of view? When central costs—those supplied by the network—and sub-postmaster costs are taken into account, three in four post offices are not profitable but are in fact dependent on some kind of support. I counsel caution on the hon. Gentleman's part when asserting profitability.

The programme for reducing the size of the network by about 2,500 from 14,000 branches has been taking place over the past year or so, finishing with the area plan that covered the hon. Gentleman's constituency and mine. I should make it clear that as a Minister I have played no part over the past year in selecting individual branches for closure. That difficult task is carried out by Post Office Ltd.

The hon. Gentleman raised some specific concerns. He focused on the role of Postwatch in scrutinising responses to the local consultation and thus the basis on which Post Office Ltd reached its final decisions about the closure proposals in his constituency. Postwatch plays an important role in the process. It represents the consumer, and as the Prime Minister said in his letter to the hon. Gentleman, Postwatch is the trigger for putting an individual closure decision into a review process conducted jointly by Post Office Ltd and Postwatch. The hon. Gentleman used some harsh words, saying the process was all a sham and so on.

There are two phases for proposals in an area plan. There is a pre-consultation phase, when Post Office Ltd discusses its initial plan with sub-postmasters and perhaps with local authorities and others in the area. During

[Mr. Pat McFadden]

that phase about 10 to 15 per cent. of proposals are changed, depending on individual area plans. There is then a six-week public consultation, and over the past year about 91 closure decisions were withdrawn during that process, although a number were followed by replacement closure decisions.

The hon. Gentleman said that he does not believe that Postwatch properly fulfilled its functions in the consideration of responses in his area, and that for two branches in particular, Comberton Hill and the Walshes, the process was not properly carried out. He raised two issues: first, Postwatch's incorporation into Consumer Focus, the new combined consumer body and, secondly, the consideration of specific representations made about the branches. As he said, he raised his concerns at Prime Minister's questions and subsequently in a letter to the Prime Minister. He talked about his difficulties in trying to contact Postwatch by telephone.

The Prime Minister responded to the hon. Gentleman's concerns on 1 December. He referred to the incorrect contact information that I acknowledge was given out by Consumer Direct. I understand that Mr. Howard Webber, the chief executive of Postwatch—who remains in charge of the residual Postwatch role in the network change programme—apologised for the error in what the hon. Gentleman was told and for the failure to copy him into the letter to which he referred.

Checks continue to be made in Consumer Direct about the information that is passed on. It is regrettable that the hon. Gentleman was not given the correct information when he called, but the critical question is whether that inhibited Postwatch in carrying out its proper role in the area plan, and I disagree with him that the merger with Consumer Focus stopped Postwatch from doing that. The situation was envisaged, and the Postwatch team working on the network change programme was kept on during the transfer so that it could continue its job—indeed, I spoke to Mr. Howard Webber today and he is still doing that. With regard to the closure programme that affected the hon. Gentleman's constituency, the chief executive of Postwatch attended the key meetings, so I am afraid that I do not agree that the merger in which Consumer Focus was created stopped Postwatch playing its proper role.

Let me turn to the hon. Gentleman's second concern, which he raised in letters of 13 and 17 November to the Secretary of State for Work and Pensions. I gather that there may have been an issue to do with the hon. Gentleman not receiving a reply from me, but as far as I know, he wrote to the Prime Minister and the Secretary of State for Work and Pensions. I am not aware of his having written to me directly on the matter. He will be aware that the process in government is that letters eventually find their way to the correct Minister, even if they were not sent to the correct Minister, and I have now replied to him.

In that correspondence, the hon. Gentleman raised concerns about whether consultation responses sent by Wyre Forest district council and Robert Arthur Davies Ltd had been properly considered. It appeared initially that those responses may not have been seen by Postwatch staff before final decisions were signed off. However, I understand that Postwatch has confirmed that the Wyre Forest district council response to which the hon. Gentleman referred was received, logged and seen by the appropriate Postwatch staff at the appropriate time. Postwatch confirmed that to me today, when I checked.

Postwatch has not found a record of having received a response from Robert Arthur Davies Ltd. The issue is whether that had a material effect on Postwatch's judgment on whether to recommend the branch in question for the review process. Both the responses were seen by Post Office Ltd before it reached its final decisions on the branches at Comberton Hill and the Walshes. The points made in both responses were reflected in the summary of responses prepared by Post Office Ltd and shared with Postwatch. It is important to recognise that those summaries of responses are the primary and most comprehensive channel through which the Post Office was able to consider and assess local issues and concerns about each specific closure or network change proposal in the past year. That is true not only of the plan covering the hon. Gentleman's constituency, but more generally, across the programme.

My understanding is that, with regard to the hon. Gentleman's constituency and the branches that he is concerned about, some 14 responses covering concerns raised by businesses were included in the summary of responses. Postwatch believes that it had the necessary information to enable it to make a decision on whether to ask for a branch closure to be reviewed, and it decided not to ask for such a review. The reason for that decision is the proximity of alternative branches.

I always tread carefully when it comes to local knowledge; the hon. Gentleman will have much more of it than me. However, I understand that Postwatch's view is that there is an alternative to the Comberton Hill branch 0.6 miles away. Kidderminster has three post offices and there are eight post offices within a 3 mile radius of the Comberton Hill branch. As for the other branch, there is an alternative office a similar distance from it—about 0.7 miles away. There are two post offices within a mile of it, and five alternative branches within 3 miles. Postwatch did not think that there were grounds for a review in those circumstances.

Let me turn to the three questions that the hon. Gentleman asked me at the end of his speech. He asked whether sub-postmasters lose all compensation if they provide services that they previously provided in their post office. They do not lose all compensation. The compensation was negotiated with the National Federation of SubPostmasters, which represents sub-postmasters. Its general secretary thought it fair that an adjustment be made to the compensation package. He said, "Why should taxpayers subsidise sub-postmasters for the loss of business that they are not actually losing?" An adjustment is made, but I would argue that the compensation for sub-postmasters is still fair.

I would also point out that the sub-postmasters of post offices closed under the previous Government did not receive any compensation at all. As for the question of whether third-party organisations can step in, I suggest that I write to the hon. Gentleman about what we have said about that, because letters have been issued by the previous Secretary of State setting out how that might happen. The hon. Gentleman mentioned

Essex county council, for example. I have covered the review process, which is triggered by Postwatch if it thinks that there are grounds for doing so such as proximity to other branches and so on. In the case of the two branches to which he referred, Postwatch did not think that there was a case. It saw the summary of responses that was supplied, and that was its main source of information throughout the programme. I do not think that it was sham—I do not argue that it was perfect—but I suggest that as the POCA decision has now been made, this is hopefully a period of stability for the network after the closure programme.

Question put and agreed to.

11.30 pm

House adjourned.

House of Commons

Tuesday 9 December 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

SESSIONAL RETURNS

Ordered,

That Returns be laid before the House for Session 2007-08 of information and statistics relating to:

(1) Business of the House;

(2) Closure of Debate, Proposal of Question and Allocation of Time (including Programme Motions);

(3) Sittings of the House;

(4) Private Bills and Private Business;

(5) Public Bills;

(6) Delegated Legislation and Regulatory Reform Orders;

(7) European Legislation, etc;

(8) Grand Committees;

(9) Chairmen's Panel; and

(10) Select Committees.—*(The Chairman of Ways and Means.)*

Oral Answers to Questions

JUSTICE

The Secretary of State was asked—

Public Office (Misconduct)

1. **James Duddridge** (Rochford and Southend, East) (Con): If he will make an assessment of the effectiveness of the common law offence of misconduct in a public office. [240225]

3. **Mr. Andrew Mackay** (Bracknell) (Con): If he will make an assessment of the effectiveness of the common law offence of misconduct in a public office. [240227]

4. **Mr. Desmond Swayne** (New Forest, West) (Con): If he will bring forward proposals to place on a statutory basis the common law offence of misconduct in a public office. [240228]

10. **Mr. Peter Bone** (Wellingborough) (Con): If he will make an assessment of the effectiveness of the common law offence of misconduct in a public office. [240234]

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): The higher courts have made it clear that the threshold for the common law offence of misconduct in public office is a high one. A unifying factor appears to be the existence of some improper, dishonest or oppressive motive in the exercise or refusal to exercise a public function rather than a mere abuse of power. The Committee on Standards in Public Life, in a consultation paper in 1997, recommended the partial replacement of this common law offence of misconduct in public office with a new statutory offence of misuse of public office. In 1998, as Home Secretary, I reported to a parliamentary Joint Committee on the difficulties of defining the proposed new offence. The Joint Committee on the Draft Corruption Bill concluded in 2003 that such a Bill was not the appropriate vehicle for giving a statutory definition of misconduct in public office. I am unaware of any representations made to me since on this matter.

James Duddridge: The Secretary of State seems to be admitting that the law is flawed. Is it really appropriate that an offence created by a judge in 1783 that is punishable by life imprisonment is used against someone who simply receives material that may embarrass his own Government?

Mr. Straw: May I say to the hon. Gentleman that a great many offences in the criminal calendar are based on common law—they trace their provenance to decisions of the courts made, in this case, in the 18th century? Such offences are continually redefined and refined by the higher courts of the land. There have been two leading authorities, among others, published on the definition of misconduct in public office—one in 1979 and another in 2004. Although the Committee on Standards in Public Life considered the matter, it recommended only a partial replacement of the offence of misconduct. As I have reported to the House, the Joint Committee on the Draft Corruption Bill considered whether to propose the inclusion of a statutory definition of misconduct in public office, but decided against doing so.

Mr. Mackay: Would the Secretary of State tell us how many civil servants have been arrested under this offence, how many of those civil servants were subsequently charged, and how many of those who were charged were then convicted in the courts? If he cannot answer today, will he ensure that an answer is put in the Library as quickly as possible?

Mr. Straw: An answer was given in April of this year about the number of offences for which there have been convictions dating back to the past 10 years. I have asked the statisticians in my Department to provide further particulars of those offences. When they are available, I will make them available to the right hon. Gentleman and to the House.

Mr. Swayne: This does seem to be an enormously elastic offence. I believe that the most recent successful prosecution was that of a female police officer who was operating on the side as a prostitute.

Will the Secretary of State comment on the case of Sally Murrer last week? That prosecution failed, the upshot of which appears to be that journalists are immune, as are their sources.

Mr. Straw: It is not appropriate for me to comment in detail on that case except to say that I note that the hon. Gentleman is celebrating, or endorsing, the acquittal in that case, which was made under article 10 of the Human Rights Act 1998. If the Conservatives are now changing their position in respect of the incorporation of the European convention on human rights, so be it.

I also point out to the House that the Joint Committee on the Draft Corruption Bill, which considered under paragraph 77 of its report making misconduct in public office a statutory offence but then decided not to propose that, included a number of luminaries from the Opposition Benches, including the Front-Bench spokesman, the hon. and learned Member for Harborough (Mr. Garnier), in whose opinion this offence did not need statutory definition. From the look on his face, he has forgotten that, but I have here a copy of the report and the minutes of proceedings.

Mr. Bone: Could the Secretary of State tell the House how many times he leaked information, either in government or in opposition, and how many times he was arrested?

Mr. Straw: As it happens, I am the wrong person to ask because I am not in favour of leaking and I do not do it. As far as investigations are concerned, when I was a special adviser in 1976, there was a police investigation into the leaking of a limited circulation annexe of the Cabinet minutes in respect of child benefit. I had seen that limited circulation annexe and I was therefore interviewed by Commander Haversham of the Yard and a sergeant who reminded me very much of Mr. Oddjob from the James Bond movie—those were the days before the Police and Criminal Evidence Act came into force. I was exonerated because I did not leak any more at that time than I have subsequently.

Clive Efford (Eltham) (Lab): How does my right hon. Friend feel he should have been judged if, when he was at the Home Office and effectively the police authority for London, he had rung someone who was part of an ongoing inquiry by the police to discuss their case? Would that have been a matter of misconduct, and would it have been a resigning issue?

Mr. Straw: It certainly would have been misconduct with a small "m" because it would have almost certainly compromised a police investigation. I suspect that there would have been demands for my resignation not just from the Opposition, but from those on the Labour Benches as well.

Chris Ruane (Vale of Clwyd) (Lab): Does my right hon. Friend agree with the proposition that the precincts of the Palace of Westminster should be off-limits for the purpose of criminal investigations?

Mr. Straw: No. The Joint Committee on Parliamentary Privilege, which reported to this House in 1999, made it absolutely clear that this House could not be off-limits for criminal investigations.

David Taylor (North-West Leicestershire) (Lab/Co-op): My right hon. Friend was our first Home Secretary in 1997, and has extensive experience of police authorities throughout the land. There are 44 police authorities in England and Wales, including the British Transport police. Outside of London, can he think of a single instance when a chairman of a police authority has contacted a close personal, political and professional friend after they have been bailed as a potential criminal suspect? Further to the question by my hon. Friend the Member for Eltham (Clive Efford), should we be looking to redefine misconduct in a public office to incorporate reprehensible behaviour of that kind?

Mr. Straw: I cannot think of a single occasion when a chairman of a police authority acted in the way that my hon. Friend described. As for the definition of that common law offence, the general view up until now has been that taken by the hon. and learned Member for Harborough when he considered this matter as a member of the Joint Committee on the Draft Corruption Bill—he decided that it did not need further statutory definition at that stage.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): Given that it was the intention of the Government, to their credit, and of this House, when passing the Freedom of Information Act and modifying the Official Secrets Act, that unauthorised disclosure of information not involving national security or intelligence should be dealt with as a disciplinary matter within the civil service and not by the criminal law, if it emerges that the police have extended the meaning of the offence of misconduct in public office beyond corruption to apply the criminal law to leaks, will it be the Government's intention to bring in statutory law to restore the intention of Parliament?

Mr. Straw: I remind the right hon. Gentleman that the question whether there should be a conviction is a matter for a jury, not for police officers. They merely make arrests and, in certain circumstances, lay a charge on the advice of the Crown Prosecution Service. The judicial authorities, in respect of misconduct in a public office, make the components of such offences clear. I have said that there is a higher bar in respect of such offences, but ultimately, it is a matter for a jury to judge. I understand that that is also the view of the Opposition.

David Howarth (Cambridge) (LD): With respect, the Secretary of State did not answer the question of the right hon. Member for Hitchin and Harpenden (Mr. Lilley). The central point is this: what should be the relationship between misconduct, leaks in the civil service and national security? The one thing that we learned from the Government's account of the events leading up to the arrest of the hon. Member for Ashford (Damian Green) is that they think that there should be no police investigation unless there is some sort of potential threat to national security. Will the Secretary of State accept that there is a case for removing the possibility of the use of that offence in the case of leaks by civil servants that do not involve national security?

Mr. Straw: The issue has not arisen, but when it has been more calmly looked at, the nature of the offence of misconduct in public office, albeit as a common law offence, which the higher courts have defined and refined in recent years, has met with general approbation. I know of no direct provenance for the hon. Gentleman's suggestion that, even if there is continued, wilful misconduct by an official in breach of their office, the criminal law should apply. That would be a very odd circumstance. I do not wish to comment on current investigations, and I shall not.

Mr. Richard Bacon (South Norfolk) (Con): I respect the Justice Secretary's desire not to comment on current investigations, but the point that my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) made was surely that the Official Secrets Act 1989 was

supposed to remove such matters from the ambit of the criminal law. The legislation removed swathes of activity by civil servants from the ambit of the criminal law. Is the right hon. Gentleman concerned that that is being undermined by an attempt to recriminalise using the common law offence?

Mr. Straw: I would point out that the revision to the Official Secrets Act in 1989 was welcomed, but the matter has been considered since then. The Committee on Standards in Public Life considered it in 1997. As Home Secretary, I looked at the matter in 1998, and it was further considered, including by Conservative Front Benchers, by the Joint Committee in 2003. It was accepted then that the offence did not need urgent statutory redefinition. I suspect that, if it were statutorily redefined, we would end up with the same definition as that currently set out in the authorities, for example, the Crown Prosecution Service's 2007 charging manual. It makes it clear, as I have already said, that the bar for a prosecution, as well as a successful conviction, is high.

Dr. Julian Lewis (New Forest, East) (Con): We fully accept that leaks of issues concerning national security—actual leaks about actual national security—should be subject to criminal sanction. However, is not the Secretary of State for Justice worried by suggestions that criminal sanctions should be applied when there is the potential for a national security issue leak to arise, but no such leak has occurred?

Mr. Straw: As I said to the right hon. Member for Hitchin and Harpenden (Mr. Lilley) and others, I know of no provenance for suggesting that the Government have ever subscribed to the view that there are no circumstances in which criminal investigations could take place in such matters, except when a breach of national security has occurred. That applied to the Opposition, too, until the past 10 days.

Since Conservative Members claim that they wish to go into government and that they are ready to do that, they need to reflect on what is necessary for the good governance of this country, regardless of the party that is in office. Let us consider an abstract situation, in which an official who works on a ministerial corridor continually leaks. That is deeply corrosive. [HON. MEMBERS: "Sanctions."] It is not just a matter of that. Such behaviour is deeply corrosive for the whole system of governance and may require a more extensive sanction than simply dismissal.

Nick Herbert (Arundel and South Downs) (Con): With respect, the Justice Secretary is simply not answering my hon. Friends' questions. The 1988 White Paper on reforming the Official Secrets Act stated:

> "The objective of Official Secrets legislation is not to enforce Crown Service discipline—that is not a matter for the criminal law—but to protect information that in the public interest should not be disclosed."

Does the Justice Secretary agree that the purpose of the reform, which restricted the criminal law to information that is damaging to national security, will be completely defeated if there are prosecutions under a common law offence for matters that Parliament clearly intended should be treated as disciplinary issues?

Mr. Straw: When Lord Hurd, the then Home Secretary, originally came to the House to make his proposals for changes in the Official Secrets Act in 1988, he did so to deal with a particular mischief in the operation of the Act. He did not, as I recall, come to the House to propose a root-and-branch reform of all areas of the law relating to conduct in public office. Moreover, he had no proposals at that stage to reform the common law offence, which, as we have heard, had existed since the 18th century, of misconduct in a public office. Further, when the Committee on Standards in Public Life reported in the middle of 1997 and when I responded to the then Joint Committee in 1998, I do not recall anybody from the Opposition ever suggesting that the offence should be excised altogether from the criminal law. The only issue was whether it should be partially replaced by a statutory offence. That was turned down by the hon. and learned Member for Harborough.

Nick Herbert: When Lord Hurd, the then Home Secretary, came to the House and presented the Bill to which the right hon. Gentleman has referred, he said:

> "We ask the House today to agree in principle that the criminal law should be prised away from the great bulk of official information."—[*Official Report*, 21 December 1988; Vol. 144, c. 460.]

The right hon. Gentleman was simply wrong in his recollection of what Lord Hurd said. The amended Official Secrets Act specifically requires the prosecution to prove that any disclosure of Government information would be damaging to national security. Leaks that reveal Home Office incompetence, for instance, may be damaging to the reputation of this Government, but they do not damage national security. Is it not typical of Ministers under this Government to confuse their narrow party interests with the interests of the country? Will the Justice Secretary now answer this straightforward question: should the common law offence of misconduct in a public office be deployed for prosecutions of recipients of Government information where national security is not at stake? Yes or no?

Mr. Straw: Lord Hurd makes my point, because he spoke about removing the criminal law from "the great bulk" of what amounts to leaking, and so it has been, and without question by a very long way. However, he did not talk about removing the application of criminal law absolutely. On the hon. Gentleman's second question, what he is asking me to do, which is entirely inappropriate for a Minister responsible for the judiciary, is to intervene in a continuing criminal investigation. *[Interruption.]* That is the invitation that he is making, but I am afraid that I shall decline it. Were the unlikely situation ever to arise of his being in my place, I hope that he would decline it in the same way.

As for the hon. and learned Member for Harborough, I am surprised at his wittering from a sedentary position. It is no good his complaining: he put his name to this report from the Joint Committee on the Draft Corruption Bill in 2003, which specifically said:

> "We have...considered adding separate specific offences to the Bill such as...making misconduct in public office a statutory offence (with a wider definition of public office)."

The Committee then said that it did not think that the Bill was "the appropriate vehicle". He considered the proposal, thought about it and then rejected it. That happens to be our position, too. We have not changed our position; the Opposition have.

Shoplifting (Sentencing Guidelines)

2. **Miss Anne McIntosh** (Vale of York) (Con): What recent representations he has received on the sentencing guidelines for shoplifting offences. [240226]

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): The hon. Lady has made a number of representations on sentencing guidelines for shoplifting offences and we have met representatives of retail trade organisations to discuss available disposals for shoplifting. The independent Sentencing Guidelines Council has today published its definitive guideline on sentencing for theft from a shop.

Miss McIntosh: May I thank the Justice Secretary for the kind words that he recently said about me to the Magistrates Association? May I also refer him to the representations that the association has made on this issue? Will his hon. Friend the Minister go so far as to admit that the Magistrates Association still has concerns about fixed penalty notices being imposed for first time offences, about fines going unpaid—*[Interruption]*—she should feel free to answer for herself, rather than conferring—and about community sentences not being completed? Does he or she therefore share my concern that there should be a court—

Mr. Speaker: Order. I am just wondering how many supplementaries the hon. Lady has left.

Maria Eagle: The hon. Lady is simply showing the great interest in this matter that my right hon. Friend was right to say that she has shown over a long period of time. We are aware that the Magistrates Association has concerns, and the Under-Secretary of State for Justice, my hon. Friend the Member for Lewisham, East (Bridget Prentice), who has responsibility for the Courts Service, will meet its representatives tomorrow and will no doubt have an opportunity to discuss some of those concerns. I should like to point out to the House that more people are prosecuted for shop theft than receive penalty notices for disorder, that the use of custody to punish shoplifters has increased in percentage terms since 1997, and that the courts are empowered to make custodial sentences for this crime and, where appropriate, do so.

Mr. Henry Bellingham (North-West Norfolk) (Con): Are not the Minister's remarks a little complacent? Paragraph 11 of today's announcement by the Sentencing Guidelines Council makes it clear that burglars and shoplifters who steal to feed an addiction will get a lesser sentence. She must be aware that the retail sector is suffering from a chronic recession, so this must surely be the worst possible time to downgrade and devalue those offences. Is not there a danger that this will encourage even more retail crime, and a likelihood that this will be seen as a shoplifters' and burglars' charter?

Maria Eagle: I absolutely refute the hon. Gentleman's latter point, as no doubt would one of his hon. Friends on the Conservative Front Bench, who last year was urging us—quite rightly, in my view—during the passage of the Criminal Justice and Immigration Act 2008 to ensure that those who commit crime through addiction get proper treatment. Indeed, early-day motion 132, tabled by the hon. Member for Vale of York (Miss McIntosh), makes that very point, and urges the Sentencing Guidelines Council to ensure

> "that the sentencing guidelines are enforced to ensure that offenders with drink or drug problems are issued with sentences that recognise those problems with an appropriate rehabilitation order".

That is all that the Sentencing Guidelines Council, which is independent of the Government, is saying—that drug rehabilitation orders should be given, where appropriate, to try to ensure that those who commit crime in part as a result of their addiction have a chance to get rid of that addiction. The evidence shows that those who complete those tough community orders are only half as likely to reoffend as those who do not complete such orders.

Parliamentary Privilege

5. **Mr. Mark Harper** (Forest of Dean) (Con): What recent discussions he has had with ministerial colleagues on the interaction between the judicial system and parliamentary privilege. [240229]

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): The interaction between the judicial system and parliamentary privilege is well settled, and specifically defined in the sub judice rules of Parliament. The rules were extensively revised by this House in November 2001, following the recommendations by the Joint Committee on Parliamentary Privilege, and set out on page 437 of the current edition of "Erskine May". The issue occasionally arises incidentally in ministerial discussions but, as it is a matter for Parliament and not for the Executive, I can recall no occasion on which it has been an agenda item for ministerial deliberation.

Mr. Harper: I am grateful to the Secretary of State for that answer. He will know that the Police and Criminal Evidence Act 1984 created three categories of material susceptible to searches, one of which was legally privileged material. If the police think that a piece of evidence is legally privileged, they are unable to seize it. Has the Secretary of State considered whether it would be worth extending that definition to include items that are subject to parliamentary privilege, so as to make clear the legal position and to put it beyond doubt?

Mr. Straw: The hon. Gentleman raises an important point, and I am perfectly happy to consider such recommendations, but I suggest that, in the first instance, they should come from the privileges Committee and not from the Executive.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Yesterday, the Leader of the House suggested that a High Court judge might be the appropriate person to grant a warrant, if one were required, for a police search of these premises, and of Members' correspondence in offices or homes around the country. How would that proposal be carried forward, given that, according to the Government's motion, the Committee to consider the matter is not allowed to meet other than for the purpose of electing a Chairman, and that the Prime Minister has indicated that nothing will change until he has had the results of that Committee's inquiry?

Mr. Straw: On the specific proposition, as the Queen's Speech made clear, there will be a police Bill and a Bill in respect of justice and coroners. The right hon. Gentleman is an experienced parliamentarian, and I would be astonished if he could not ensure that amendments to achieve what he suggests were in order, if he wished to table such amendments. Of course we would be happy to consider them without waiting for a particular report from a specific inquiry.

Mr. David Heathcoat-Amory (Wells) (Con): Would the Secretary of State resist the temptation to freeze into statute law the complex system of principles and precedents that constitute parliamentary privilege, as if an Act attempted to do so, it would be judiciable outside the House, whereas privilege is in fact better defended by ourselves as it has been over the centuries? In any case, many of us have little faith in the Government's ability to deal with this in an unpartisan way, especially in the light of recent events, so any Bill that they bring forward could further weaken the powers of this House and allow outside authorities unnecessary further access.

Mr. Straw: On the issue of parliamentary privilege—in other words further defining what is in article 9 of the 1689 Bill of Rights—I agree with the right hon. Gentleman that the Joint Committee on Parliamentary Privilege said in 1999 that the matter was best defined by this House. However, the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) spoke about changing criminal procedures and if the House wished to proceed with that—I am not committing the Government, but we would certainly be happy to consider it—it could be effected only by a change in the general criminal law because it applies not only to behaviours in the House or in respect of the House, but to outside agencies such as the police.

Mr. Edward Garnier (Harborough) (Con): On the subject of interaction with the judicial system, the Justice Secretary recently thought it right roundly to attack what he described as "nervous judges" for applying the Human Rights Act, which made the European convention on human rights justiciable in our courts. Although we came to expect the right hon. Gentleman's successors as Home Secretary to abuse judges for party political advantage, are we now to expect the Lord Chancellor, whose statutory duty is to uphold the independence of the judiciary, routinely to make attacks on judges who apply the laws enacted by Parliament at his Government's request?

Mr. Straw: I think that that is a slightly extravagant interpretation of what I said. I think that citing my comment on nervous judges as if it were an attack on the judiciary is an abuse of language. The article also made it clear that I had been extremely careful not to pass any adverse comment on the judiciary—nor have I. I recognise my responsibilities in respect of the protection of the independence of the judiciary acutely.

Civil Service Impartiality

6. **Martin Linton** (Battersea) (Lab): Whether he plans to introduce legislation on civil service impartiality. [240230]

The Minister of State, Ministry of Justice (Mr. Michael Wills): The constitutional renewal Bill, which we published in draft in March, included proposals to enshrine in statute the core principles and values of the civil service, which include impartiality. The Government reiterated their commitment to continue to take forward their proposals in the Queen's Speech last week.

Martin Linton: Does my right hon. Friend agree that impartiality remains important for some quite junior civil service posts? Does he agree, for instance, that appointing a civil servant who had stood as an Opposition candidate only four years ago to work in the private office of the Home Secretary would be inappropriate?

Mr. Wills: I am obviously not going to comment—just as my right hon. Friend the Secretary of State refused to comment—on ongoing police investigations, but I hope that the whole House will agree that, whatever party Ministers come from, they must be able to rely on the impartiality of the civil service—and at all levels. That is fundamental to the civil service: those core civil service values are set out in the civil service code and they actually form part of a civil servant's terms and conditions of employment.

Sir George Young (North-West Hampshire) (Con): But why cannot the civil service clauses be detached from the rest of the constitutional renewal Bill and be proceeded with in this Parliament, as they had widespread support and were anticipated in several Government manifestos?

Mr. Wills: Quite simply because they do not need to be. We intend to proceed with our proposals for the constitutional renewal Bill. May I say that we published those proposals in draft because they are constitutional and we believe that they deserve the widest possible scrutiny? Indeed, we have had the benefit of extremely important scrutiny from the Justice Committee, the Public Administration Committee and, indeed, from the Joint Committee on the draft Bill. We have benefited from all that scrutiny, we are drafting the clauses as we speak and we will introduce those proposals.

Mr. Mark Field (Cities of London and Westminster) (Con): I do not wish to be too critical of what we have discovered today to be the erstwhile occupation of the Minister's boss, but does the Minister not agree that one of the elements most corrosive of civil service impartiality over the past 10 years has been the explosion in the number of special advisers employed by the Government? What would he do about that?

Mr. Wills: I certainly do not agree, and I hope that the hon. Gentleman was not referring to his boss, the leader of the Conservative party, when he spoke of corrosive elements in our public life. I am sure that he was not—I am glad to receive that confirmation from the hon. Gentleman.

I do not agree that the civil service is being corroded. I think that we should be proud of our civil service, which plays an extraordinarily important role in our constitution. If the hon. Gentleman reads the evidence given to Select Committees by the current head of the civil service, he will see that the latter paid tribute to the important role played by special advisers in our constitutional arrangements.

Mrs. Eleanor Laing (Epping Forest) (Con): Some of us remember being special advisers and protecting the impartiality of the civil service, and I pay tribute to the Lord Chancellor for what he did in that respect long ago. However, the Minister has said once again that the constitutional renewal Bill will be coming forward. As was pointed out by my right hon. Friend the Member for North-West Hampshire (Sir George Young), who served on the Committee that examined the draft Bill, it is an important piece of legislation, and we were all looking forward to it. We all consider the impartiality of the civil service to be the very cornerstone of our democracy. Action has been promised again and again, yet we do not see the Bill in the timetable now. If it is really to come forward, can the Minister tell us when it will do so?

Mr. Wills: We plan to present proposals in April or May. *[Interruption.]* This is not news, however excited Opposition Members may be about it. We have made our intentions clear. I hope Members agree that we need to take constitutional proposals seriously, and to reflect on the scrutiny that they have been given by three Committees of the House. However, we will present those proposals, and given what the hon. Lady has said, we expect to receive the Conservative party's support for every measure of this kind that we present in future.

Custodial Sentences

7. **Sandra Gidley** (Romsey) (LD): What assessment he has made of the effectiveness of custodial sentences of three months or less. [240231]

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): The Government regularly undertake research on the effectiveness of various sentencing disposals, including both custodial and community-based sentences.

Sandra Gidley: Ministers have consistently told us that tough, firm community sentences can be more effective in reducing reoffending than short spells in prison. Given that our prisons are bursting at the seams and 92 per cent. of young men given a first-time short custodial sentence reoffend within two years, does the Minister really believe that sending 34,613 people to prison in the last year alone is the best way of tackling recidivism?

Bridget Prentice: The hon. Lady needs to understand that we consider both custodial and non-custodial sentences to be important parts of the judicial system, and that courts must have the flexibility to be able to pass sentences that they believe to be appropriate. Last year alone, more than 6 million hours were spent serving non-custodial community-based sentences. The hon. Lady and her party need to reflect on what is important for the victims of persistent young offenders, and what is important in terms of the flexibility of the court system.

Mr. Stewart Jackson (Peterborough) (Con): Does the Secretary of State think it appropriate that prison staff at HMPs Whitemoor and Peterborough are, at a cost of more than £3,500 to the taxpayer, running errands to pick up takeaways for inmates in the name of diversity? Does he think it acceptable to my tax-paying, law-abiding constituents that that is happening under his Government?

Bridget Prentice: I can tell the hon. Gentleman that we do not think that appropriate, and that steps have been taken to ensure that it does not happen again.

Mrs. Ann Cryer (Keighley) (Lab): Further to the question asked by the hon. Member for Romsey (Sandra Gidley) about custodial sentences of three months or less, can the Minister tell us what impact such sentences have on convicted offenders who are addicted to hard drugs?

Bridget Prentice: My hon. Friend makes an important point in reflecting what the Under-Secretary, my hon. Friend the Member for Liverpool, Garston (Maria Eagle), said earlier about the importance of ensuring that sentencing deals with those who are addicted to drink or drugs. That is one reason why flexibility must be at the disposal of the courts: they must be able to ensure that those who commit crimes because of their addiction can be properly dealt with in an appropriate fashion.

Sir Nicholas Winterton (Macclesfield) (Con): The Minister was right in the answer she gave to the original question, but does she not agree that, regardless of whether the sentence is three months, three years, 13 years, 23 years or 30 years, it should involve genuine rehabilitation, including education and training?

Bridget Prentice: Absolutely.

Sentencing

8. **Andrew Stunell** (Hazel Grove) (LD): What assessment he has made of the effect of indeterminate sentences for public protection on prison overcrowding; and if he will make a statement. [240232]

The Minister of State, Ministry of Justice (Mr. David Hanson): Indeterminate imprisonment for public protection—IPP—sentences are an important part of sentencing options for the protection of the public. The Government will ensure that there are prison places for those whom the court sends to custody.

Andrew Stunell: I thank the Minister for that answer. As he knows, I have been in correspondence with him and other Ministers in the Department since October of last year about my constituent, Mr. W, who is in prison serving such a sentence. The time has come when he could have been considered for parole, had he been able to gain access to the courses which were a condition for that. He could have been considered in March, but he cannot access those courses. I understand that there might be up to 800 prisoners in similar circumstances.

The Minister will also know that, through the changes made in the Criminal Justice and Immigration Act 2008, sentences with such attachments to them can no longer be given. Will he look at my constituent's case and consider whether he and others like him might be brought under the terms of the 2008 Act, and thus be made eligible for parole rather than left in the current Catch-22 situation?

Mr. Hanson: It is important that individuals serving IPP sentences access the courses, and I recognise that there were initially some difficulties because of the numbers coming through. We have tried to put extra

resources in to prioritise IPP prisoners who are post tariff, and I am confident that in short order such prisoners will be able to undertake the courses that they need to attend to progress through the system.

The hon. Gentleman asks me to ensure that we look at Mr. W's sentence; as he knows, that is ultimately for the Parole Board. I will certainly re-examine his correspondence and write to him again, but it will ultimately be for the Parole Board to decide whether Mr. W can be released because his offending behaviour is no longer a risk to the public.

Mr. Jim Devine (Livingston) (Lab): Do we keep any data on the number of prisoners who are former psychiatric patients or who have learning difficulties? A recent report by Mind suggested that many such individuals, especially those with learning difficulties, were slipping through the health and social service net and ending up in prison and adding to the overcrowding.

Mr. Hanson: My hon. Friend will know that there will be a number of people on IPP sentences who have such difficulties. He will also know that I, along with my right hon. Friend the Justice Secretary, have given my noble Friend Lord Bradley the opportunity to examine these issues, and I expect him to report to me early in the new year on matters such as how we might address diversion of individuals with mental health problems and how we can provide better support for such individuals in prison.

Secure Training Centres

9. **Lorely Burt** (Solihull) (LD): What recent assessment he has made of the operation of secure training centres. [240233]

The Minister of State, Ministry of Justice (Mr. David Hanson): The operation of secure training centres is constantly monitored by the Youth Justice Board. Current indications are that the secure training centres are performing well.

Lorely Burt: Last year, physical restraint was used more than 2,000 times at secure training centres. That is more than 10 times for each child who was detained. Does the Minister consider that to be proportionate, and will the report, which has twice been delayed, finally be published on the deadline of next Monday?

Mr. Hanson: As the hon. Lady will know, I have given a commitment to the House to publish the report, which we commissioned jointly with my right hon. Friend the Minister for Children, Young People and Families, by December 15. Subject to the business of the House, I propose that that will be undertaken by that date. This is a complicated issue, which is why the report's response has been delayed for some time. For the protection of staff and of some young people themselves, and for the protection of individuals against self-harm, there is, in my view, a need for restraint to be continued, but we are looking at this matter. I will report to the House very shortly, and I hope the hon. Lady will examine the report and respond to it in due course.

Criminal Justice System

11. **John McDonnell** (Hayes and Harlington) (Lab): What plans he has for future levels of funding for front-line services in the criminal justice system. [240235]

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): The comprehensive spending review 2007 settlement agreed for the Ministry of Justice requires us to live within the funding available. Budgets for 2009-10 will be agreed shortly, and we will then be in a position to inform Parliament more fully of the impact of this work on the Ministry of Justice. We are prioritising and protecting front-line services, but we are looking at how we can improve performance and efficiency across the Department. We are, of course, involving our Department's trade unions in ongoing discussions in this regard.

John McDonnell: My hon. Friend will be aware that this week has been designated justice week by the justice trade unions, and they will be lobbying the House tomorrow on their concerns about future budgets. Has she seen the report launched yesterday by the Centre for Crime and Justice Studies, which demonstrates that although the Government have increased resources within the individual budgets of prisons, the probation service and the courts, that has not matched the work loads? Would she therefore be willing to meet a delegation from the justice trade union group to discuss the report and its implications for future budget planning?

Maria Eagle: On my hon. Friend's last point, I would of course be more than happy to meet him and any delegation that he wishes to bring in respect of the particular point that he makes. I have not yet had a chance to see that report, but I would be very happy to read it.

Topical Questions

T1. [240250] **Mr. John Baron** (Billericay) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): The House may wish to be aware that on Monday last, my right hon. Friend the Home Secretary and I launched the introduction of high-visibility jackets for offenders undertaking community orders of unpaid work—that scheme is called community payback—and also that an announcement has been made of a review of how legal advice should best be delivered locally, not least to take account of the impact of the recession.

Mr. Baron: The Government have again refused my freedom of information request for a list of possible sites for the new titan prisons. The Under-Secretary, the hon. Member for Dewsbury (Mr. Malik), has written to me saying that the

"release of the information you seek would inevitably lead to increased speculation...thereby affecting our ability to procure land for the sites eventually chosen at a reasonable market value".

So I must ask the Secretary of State the following question: is that not a blatant admission that any subsequent consultation involving local residents will be a complete sham, given that the Government intend to buy the sites before informing local residents? What is he going to do to put that right?

Mr. Straw: I understand that in most, although not all, areas of the country there is concern whenever there are proposals for new prisons to be built; regardless of the size of the prison, that has been an almost eternal verity. I must say to the hon. Gentleman that his party is committed—on some days, at least—to increasing the prison population. Part of his party's Front-Bench team says that it wants to increase it to 101,000, rather than to 96,000, as we have proposed. That will mean more prisons, and they have to be placed in individual constituencies.

On the hon. Gentleman's specific issue, we have a duty to the taxpayer to protect the public purse, so we must provisionally identify sites. Typically, when the sites are identified an option is taken on them, subject to planning permission. Planning permission, and the consultation relating to it, is a very public and highly visible process. I hope that we shall not get into a situation where the Conservative party wills the end of an increase in the prison population but every time there is a proposal to will the means it opposes that increase in prison numbers.

T2. [240251] **Alun Michael** (Cardiff, South and Penarth) (Lab/Co-op): Does my right hon. Friend agree that in many cases the high quality of legal advice provided by citizens advice bureaux is enhanced by their capacity to look behind the individual legal issue that has been raised at the root causes and to tackle those causes through the provision of information and guidance? Will he ensure that in any efforts to save money and to make the community legal advice system more cost-effective those benefits are not lost?

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): My right hon. Friend makes an important point, and I am sure that we have all used the advice that the citizens advice bureaux make available for our constituents. He is right to say that, as we look at how we provide advice locally, their role is important. In doing some research in this area, Lord Bach will ensure that the role that the bureaux play in the local community is kept in being.

T3. [240252] **Mr. Desmond Swayne** (New Forest, West) (Con): Given that savings of £1.3 billion are to be made over two years, possibly involving as many as 10,000 redundancies in his Department, is the Lord Chancellor not a little embarrassed about the bill of £133 million for the refurbishment of the Department's offices in Petty France?

Mr. Straw: The two issues are very separate. The refurbishment was decided on back in 1999, although the name of the then Home Secretary who made that decision escapes me. If the hon. Gentleman is making a serious point about efficiency savings, I should point out to him that none of the efficiency savings that we will make would compare with the slashing and indiscriminate cuts to which his leader has now committed himself, which would make a recession into a depression by gratuitously putting thousands of people out of work.

T8. [240257] **Ben Chapman** (Wirral, South) (Lab): Although I approve of sentenced offenders doing work in the community in appropriate circumstances, can the Minister assure me that the possibility has been considered that the brightly coloured jackets that are now proposed for them may make them more vulnerable to attack?

The Minister of State, Ministry of Justice (Mr. David Hanson): My hon. Friend will know that visibility is important to provide confidence in community sentences. I have ensured that local decisions can be taken if there are real concerns about health and safety, but there is no evidence to date that high-visibility jackets increase the likelihood of attack. Any attacks that have occurred during community-based activities have been perpetrated by known individuals against specific individuals and would, I suspect, have happened whatever garb or attire they were wearing.

T4. [240253] **Mr. Philip Hollobone** (Kettering) (Con): Six months ago, in response to Conservative proposals to clamp down on offenders who commit crimes while on bail, the Lord High Chancellor of All England published a consultation document. Given the number of murders committed by offenders while on bail, what is the status of that consultation and why have no new powers in relation to bail been included in the forthcoming coroners and justice Bill?

Mr. Straw: Just for the record, the Act of Settlement 1707 provided that the Lord Chancellor was the Lord Chancellor of Great Britain, including Scotland. On the specific point, I am considering the results of the consultation and we will come forward with proposals in due course.

T5. [240254] **James Duddridge** (Rochford and Southend, East) (Con): May I ask the Lord Chancellor of Great Britain, the master of the universe of nothing—*[Laughter.]* In all seriousness, it has been 18 months since the very serious consultation on bringing greater transparency to the family courts concluded, and we have had no statement or recommendations from the Government. Will those recommendations form part of the coroners and justice Bill outlined in the Queen's Speech?

Mr. Straw: I intend to make a statement to the House on that very matter before we rise for the Christmas recess.

Mrs. Ann Cryer (Keighley) (Lab): Is my right hon. Friend satisfied with the number of candidates for the magistrates' bench coming forward from ethnic minorities? Are benches such as Bradford or Keighley representative of their local areas, and if not, what will the Department do about that?

Mr. Straw: The representation of those from black and minority ethnic communities and, separately, of women in the magistracy is better than in other areas of the judiciary, but it is widely recognised that we still have a very long way to go in that respect. We, the Magistrates' Association, the chairs of the benches and particularly the advisory committees on magistrates' appointments that operate at a county level are trying to do a great deal to improve the representative nature of magistrates.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Will the Secretary of State for Justice look at the case of Graham Key, who took his life after being sentenced to prison for two years in August of this year? The prison ombudsman is considering the case. Will the Secretary of State give a commitment to consider the whole case and the circumstances leading up to that prosecution?

Mr. Straw: Of course I shall do so, and I shall discuss the case with the right hon. Gentleman, too.

T9. [240258] **Simon Hughes** (North Southwark and Bermondsey) (LD): Will the Justice Secretary answer soon my second letter about the costs of the inquest into the shooting of Jean Charles de Menezes? As he knows, the inquest is taking place in Lambeth, the borough where the shooting happened. The costs are now estimated to be more than £4 million—£1 million for each of the four boroughs responsible for the coroner's court, including mine in Southwark. Surely either the national Government should take a share of the responsibility or the cost should be shared among the 32 London boroughs policed by the Metropolitan police.

Mr. Straw: As the hon. Gentleman is aware, coroners and the greater system are funded through the local government settlement. There is absolutely no budget line in the Ministry of Justice in respect of the operation of any coroner's court. I am fully aware of the point that the hon. Gentleman has raised and it is now the subject of discussion between the relevant London boroughs and my right hon. Friends the Secretaries of State for Communities and Local Government and for the Home Department.

T6. [240255] **Mr. Philip Dunne** (Ludlow) (Con): The Minister of State, Ministry of Justice, the right hon. Member for Delyn (Mr. Hanson), referred earlier to the introduction of high-visibility jackets last week for those serving community sentences. Will he now turn his attention to getting people who have been issued with community sentences to turn up to undertake them? For the last year for which information is available, 94,000 community sentences were issued but only 42,000 were completed. There is not much point in having high-visibility jackets if nobody is turning up to do the work.

Mr. Hanson: Enforcement is far better than it was 10 years ago, when the hon. Gentleman's party was in office. Sometimes sentences are not completed because people are sentenced further and end up in jail on a longer sentence. I hope that the hon. Gentleman supports visibility and community involvement, and that he recognises that community sentences are a strong punishment and a strong deterrent that can sometimes help to prevent reoffending.

Martin Horwood (Cheltenham) (LD): Is the Secretary of State aware that in its attempt to save money Her Majesty's Courts Service has frozen the implementation of an energy demand management solution of the kind produced by a company in my constituency, Plexus Technology, which would have begun to save the Courts Service money within as little as three months and would have reduced its carbon footprint? Does he not agree that on the face of it that is both nonsense and a false economy and that he should look into it?

Mr. Straw: I am very happy to follow up the specific point that the hon. Gentleman has raised, both directly and with the Under-Secretary, my hon. Friend the Member for Lewisham, East (Bridget Prentice), who is handling this matter.

T7. [240256] **Tony Baldry** (Banbury) (Con): The punishment of going to prison is the loss of one's freedom, but what is really important is that people do not go to prison more than once. What will Ministers do in 2009 to try to ensure that we reduce the risk of reoffending and have as much purposeful activity in prisons as possible, so that people overcome substance abuse and get skills and training so that they do not reoffend?

Mr. Hanson: I know that the hon. Gentleman shares our wish to see more purposeful activity in prison. He will be pleased, I am sure, to know that only yesterday I hosted a seminar in the Ministry of Justice with more than 60 employers to consider how they can link up with prison industries and provide skills and training in prison to help people to go through the gate to employment on leaving prison. That has been an important contribution, and a similar contribution has been made to managing drugs and drug use in prison, managing alcohol in prison and dealing with mental health in prison. Our objectives for 2009 are to improve our performance in all those areas in order to improve our reductions in reoffending across the board.

T10. [240259] **Mr. Richard Bacon** (South Norfolk) (Con): What is the total cost to public funds of the Libra project? When the National Audit Office looked at this, the cost had already grown to £390 million—nearly three times what was originally planned. Mr. Alex Allan, the then permanent secretary at the former Department for Constitutional Affairs, has disclosed a further £97 million on top of that. That was about 18 months ago, so what is the current figure?

Mr. Straw: I shall have to write to the hon. Gentleman with the details. I shall do so, and of course place them on the record of the House at the same time.

Mr. Gerald Howarth (Aldershot) (Con): Is the Lord High Chancellor aware that, before the dreadful case of baby P, the number of child protection cases brought by local authorities had fallen dramatically in the period since April this year, when court protection fees were increased from a flat £150 to £4,500? As a result, in London there has been something like a 40 per cent. drop in the number of child protection cases being brought. Does the Lord High Chancellor believe that that has anything to do with the huge, swingeing increase in the fees, for which local authorities have not been properly compensated?

Bridget Prentice: Absolutely not. First, local authorities have been compensated to the tune of £40 million a year for the next three years. Secondly, the number of child protection cases fell in April, before the fees came into effect, and again in May, after the fees came into effect. Thirdly, the number of child protection cases across the country is rising again. Fourthly, the Association of Directors of Social Services says that its members deny absolutely the suggestion that a local authority would not take a child protection case to court because of the size of the fee.

Speaker's Statement

3.31 pm

Mr. Speaker: I undertook to look into the matter of the Wilson doctrine and access to the House of Commons server, which was raised by the hon. Member for Newbury (Mr. Benyon) on 4 December. The Parliamentary Information and Communications Technology service takes the security of its systems very seriously, and is grateful for the support that the Joint Committee on Security, the Administration Committee and the Commission give in that respect. PICT would not allow any third party to access the parliamentary network without proper authority. In the Commons, such access previously required the approval of the Serjeant at Arms. Following my statement on 3 December, if PICT receives any requests to allow access in future, it will also seek confirmation that a warrant exists and that I have approved such access under the procedure laid down and the protocol issued yesterday.

With regard to the incident involving the hon. Member for Ashford (Damian Green), no access was given to data held on the server, as PICT was not instructed to do so by the Serjeant at Arms. No access will be given unless a warrant exists and I approve such access.

Points of Order

3.33 pm

Mr. Peter Bone (Wellingborough) (Con): On a point of order, Mr. Speaker. I have informed the Secretary of State for Communities and Local Government that I was going to raise this matter.

Yesterday, my local paper, the *Evening Telegraph*, reported a ministerial visit by the Secretary of State for Communities and Local Government to my constituency last Friday. I received no prior notification from the right hon. Lady about that ministerial visit. As she was visiting my constituency in her role as a Minister, I and my local councillors would have appreciated the opportunity to speak with her to discuss local issues. What is more galling is that I had formally invited the Secretary of State to Wellingborough to discuss with me the overdevelopment of my area. She had not replied to my invitation.

You will appreciate, Mr. Speaker, that only a few weeks ago another Minister visited my constituency without giving me prior notice. I would appreciate your comments.

Mr. Speaker: Every hon. and right hon. Member knows of the convention that notice is given if there is a public engagement in a constituency. As for invitations, if the hon. Gentleman gave out an invitation that is not taken up, perhaps he should be a little more persuasive—but that is nothing to do with me. The point that I make is that everyone knows the conventions and I expect every hon. Member on every side of the House to respect them. It is important that they do.

Mike Penning (Hemel Hempstead) (Con): On a point of order, Mr. Speaker. As I am sure you are aware, last Wednesday I wrote to you inquiring whether the police had had access to the servers. Today, you clarified whether police were given permission to access the servers. Is there no way in which the police could have accessed the servers without the permission of PICT?

Mr. Speaker: If the hon. Gentleman reads my statement and reflects on it, he will see that no access was given, and nothing was accessed.

Mr. David Heathcoat-Amory (Wells) (Con): On a point of order, Mr. Speaker. We are about to debate European matters preparatory to the European Council meeting, which is to be held at the end of the week. Draft conclusions of that Council meeting are already in existence; I obtained a copy from the website of the Danish Parliament. The Secretary of State for Foreign and Commonwealth Affairs will undoubtedly refer to issues itemised in those conclusions, which have not been made available to the House, although they have been made available to other member states, where the same culture of secrecy does not prevail. Is it in order for us to proceed with a debate on those terms, given that I have the draft conclusions? I could easily circulate them, under your authority, Mr. Speaker.

Mr. Speaker: I would not want the right hon. Gentleman to draw me into any arguments; I think that I have had enough for this week. There is about to be a debate, and

if information is available to the right hon. Gentleman, he can raise the issue in the debate, so long as it is in order to do so. Of course, it is up to Ministers what information they make available.

European Affairs

3.36 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I beg to move,

That this House has considered the matter of European affairs.

I am sure that the right hon. Member for Wells (Mr. Heathcoat-Amory) will have tempted many Members with his suggestion that the debate be abandoned, and I am sorry to see some hon. Members taking up his suggestion immediately, but I, for one, am pleased to open this traditional pre-European Council debate. The agenda for this year's December European Council reflects the preoccupations of Europe's citizens: the global economic crisis and the European Union's role in addressing it; the challenge of climate change and the need for European leadership in promoting the twin goals of lower carbon emissions and increased energy security; and the modern threats to security and the role of the European Union in addressing the root causes of conflict and its symptoms.

That agenda is welcome. It reflects the Government's belief that after years of institutional negotiation, it is time for the EU to look outward, to recognise that the major threats that its citizens face are global, and to respond to them. Let me start on the subject of the economic situation. Today perhaps more than ever, the prospects for the UK economy are affected by the policy choices being made in other countries.

Bob Spink (Castle Point) (Ind): The Foreign Secretary failed to mention something in his review of the agenda, and is now going on to the subject of the UK economy. Can he tell the House a little about what might happen on 17 December to the EU opt-out on the working time directive? If that opt-out is removed, what will be the impact on British workers and the UK economy?

David Miliband: I am sorry to disappoint the hon. Gentleman, but the minutes of that decision have not yet been published on the Danish Parliament website. He will have to wait until the 17 December discussion in the European Parliament. However, the position of the UK Government is very clear: the Council compromise position should be defended, as that is very much in the interests of the British economy and British workers. I look forward to that happening.

The G20 meeting in Washington last month was an important step in securing a decisive and systematic international response to the economic crisis. Governments around the world have recognised that a globally co-ordinated stimulus, in terms of both monetary and fiscal policy, represents the best response to the current crisis. The managing director of the International Monetary Fund has said:

"If there has ever been a time in modern economic history when fiscal policy and a fiscal stimulus should be used, it's now."

President-elect Obama said on Sunday:

"We've got to make sure that the economic stimulus plan is large enough to get the economy moving."

The place where this stimulus matters most to the UK is in the rest of Europe—

Angus Robertson (Moray) (SNP): Will the Foreign Secretary give way?

David Miliband: Not in the middle of my sentence, but if the hon. Gentleman waits I am happy to help him.

The place where this stimulus matters most to the UK is the rest of Europe, because Europe remains our most important export market and the home for the largest portion of overseas investment in the UK. As the world's largest single market, the European Union has the potential to set the tone for the rest of the world's response. It is therefore absolutely in our interests that EU member states act together.

Angus Robertson: The largest market in the European Union is the Federal Republic of Germany. Why was Chancellor Angela Merkel not invited to the discussions between the Prime Minister and President Sarkozy?

Mr. Dennis Skinner (Bolsover) (Lab): Is it because she is a German Tory?

David Miliband: No, it is not for the reason given by my hon. Friend. She was not invited to the meeting, because it was a meeting with the president of the European Council—President Sarkozy of France—and the President of the European Commission. In the same way, Mrs. Merkel could have meetings with the president of the European Council—President Sarkozy—and Mr. Barroso.

Keith Vaz (Leicester, East) (Lab): The Foreign Secretary has rightly mentioned the economic climate. What effect does he believe that it will have on the principles and decisions in the Lisbon agenda? Are the Government still committed to the benchmarks that were agreed at Lisbon?

David Miliband: Yes. I think that my right hon. Friend is referring to the Lisbon agenda for growth and jobs, not the Lisbon treaty.

Keith Vaz: Yes.

David Miliband: I can absolutely assure my right hon. Friend that the principles that were set out remain very important, and we want to develop them. As I shall explain, there is a particularly important discussion to be had about whether the current crisis is a reason to rein back the open markets that have been an important feature of European growth or whether the lesson is that free trade and a further renewal of the Doha trade round is in our interests and that this is precisely the time at which we should open up our economies rather than close them down.

Several hon. Members *rose*—

David Miliband: If hon. Members will allow me to make progress, I am happy to accept their interventions in a moment.

The European Council offers an important opportunity to take forward European co-ordination on the basis of the Commission's European economic recovery plan, which was published on 26 November. It is very much in line with the Government's thinking, as set out in the pre-Budget report, and it will be an important tool in encouraging EU partners to take the bold action necessary to fight the downturn.

Mr. William Cash (Stone) (Con) *rose*—

David Miliband: If the hon. Gentleman will allow me to make this point, I shall give way to him afterwards.

I am very sorry that the shadow Chancellor has denounced that package as a "concerted attempt to deliver a euro-area spending splurge".

In fact, it is plain common sense that during an economic downturn it is not just we who need economic stimulus but the rest of Europe. It is common sense to kick-start the economy through fiscal stimulus while setting out clear plans to ensure fiscal sustainability over the medium term. The European Commission therefore advocates VAT reductions and the front-loading of public expenditure; extra help for the most vulnerable and low earners; and, importantly, because we need to prepare for the upturn as well as protect ourselves in the downturn, support for small businesses, enhancing access to finance, ensuring prompt payment, and improving public procurement for small and medium-sized enterprises. Those are all sensible proposals. Far from being a spending splurge, they are the right response to the economic downturn. I promised to give way to the hon. Member for Stone (Mr. Cash), and I shall do so.

Mr. Cash: Following on from the point made by the hon. Member for Moray (Angus Robertson), does the Foreign Secretary agree that the real reason why Angela Merkel could not come to that meeting is that she takes a completely different view of the pre-Budget report? Indeed, she believes that it is essential that we have proper balancing of the accounts, not the kind of wild extravagance to which the Foreign Secretary referred. Will he just tell us what the Government's position is, and stop nodding his head? Will he tell us the position with regard to the statement today by the Irish Foreign Minister regarding the Irish vote and the deal that was obviously entered into by the Government to betray the British—

Mr. Speaker: Order. That is an abuse of the intervention system.

David Miliband: I shall answer the part of the question before the abuse started by giving the hon. Gentleman the figures on fiscal stimulus around Europe. He cited 1.5 per cent. of GDP stimulus in this country. The figure is 1.3 per cent. of GDP in France and more than 1 per cent. of GDP in 2009 and 2010 in Germany. The idea that the German Government are standing against the sort of stimulus that is being practised in this country is frankly nonsense.

Mark Pritchard (The Wrekin) (Con): Notwithstanding the Foreign Secretary's last comments, is it not the case that Chancellor Merkel has not signed up to the Government's borrowing binge? Is that a failure of the Prime Minister's fiscal policy or of the Foreign Secretary's diplomatic skills, or is it both?

David Miliband: I am sorry that the hon. Gentleman formulated the question before I gave the figures in answering the hon. Member for Stone—he is an honest enough man to blush at the fact that he has been caught red-handed. The German figures for 2009 and 2010 show an increase in fiscal stimulus of 1 per cent. or so of GDP.

Mr. Cash: That is just not true.

David Miliband: I am sorry, but it is true. The hon. Gentleman can say that it is not true until he is blue in the face, but the stimulus will come from a reduction in unemployment contributions—the unemployment insurance scheme—extra lending to small and medium-sized enterprises, a tax holiday on new cars, tax incentives for investment by firms and household investment in energy efficiency. There is no point in his saying that that is not true, when voluminous documents on the German Government website show how true it is.

Mr. David Chaytor (Bury, North) (Lab): Is the reality not that the impact of the financial crisis has changed public opinion? More than ever, the British people understand that we can start to solve the crisis only through co-operation with our European partners, which is the point that the Conservative party cannot stomach.

David Miliband: My hon. Friend has made a very good point. One Conservative Member of the European Parliament famously referred to the "poisonous fungus" of Euroscepticism in the Conservative party. The poisonous fungus is growing fast, because the Conservative party now opposes common-sense proposals from the rest of Europe to help to build the economic future on which we all depend.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Will the Foreign Secretary give way?

David Miliband: The hon. Gentleman and I tangled many times when I was Secretary of State for Environment, Food and Rural Affairs, so I am happy to take his intervention, but then I must make some progress.

Daniel Kawczynski: The Foreign Secretary is discussing the economy, and I am sure that he agrees that one thing that will not help the British economy is our joining the euro. However, President Barroso has recently been making some very public statements that Britain is inching its way closer to having the euro. Will the Foreign Secretary tell us which of his colleagues is telling the President that, because it is simply unacceptable?

David Miliband *rose—*

Mr. Chaytor: It is not true.

David Miliband: Exactly. We have made it plain that in principle we support entry into the euro, but that in practice the economic conditions must be met. Eight years ago, the now shadow Foreign Secretary said that there were 10 days to save the pound. Two thousand days later, the pound is alive, well and kicking. He was wrong then, and he is wrong now, in the absurd allegations that he is making.

Ms Patricia Hewitt (Leicester, West) (Lab): My right hon. Friend has made an important point about the fiscal stimulus package in Germany as well as across the European Union. In January, we will see a similar fiscal stimulus package on a massive scale in the United States of America, when President-elect Obama takes over. Does he agree that the real disaster for Britain would be if we had a Government who isolated us from both our European allies and the new leadership in the United States?

David Miliband: My right hon. Friend makes an important point, and I differ in only one respect: she has mentioned a similar package in the United States, and all the indications from the Obama team suggest that there will be a massive stimulus on an even grander scale. When the Leader of the Opposition said on the radio that borrowing was

"going to make the recovery more difficult",

he was in a minority of one compared with every other Government in the industrialised world.

Several hon. Members *rose—*

David Miliband: Just let me make this point. The proof of how out of touch the Opposition are comes from the shadow Chancellor. One week before the Bank of England made the largest reduction in interest rates in British history, he said that Government policy

"makes it more difficult for the Bank of England to achieve a sustained reduction in interest rates."

He said that one week before the 1.5 per cent. cut in interest rates and one month before the further 1 per cent. cut in interest rates.

Several hon. Members *rose—*

David Miliband: I shall give way to my right hon. Friend the former Minister for Europe; then I must make progress.

Mr. Denis MacShane (Rotherham) (Lab): While my right hon. Friend is on the subject of themes raised by Labour Members, may I ask him whether he saw the interesting article in the *New Statesman* that reported on the conversation between the Leader of the Opposition and President-elect Obama? The Leader of the Opposition condemned Europe and the European Union and Mr. Obama said afterwards that he was a "lightweight". We do not want a lightweight Leader of the Opposition at this time of grave economic crisis.

David Miliband: My right hon. Friend makes a good point. I thought that he would refer to one of his own *New Statesman* articles, which I am delighted to commend to the House. I am happy to confirm that the report in the *New Statesman*, an august journal of record in many ways, did indeed use the word "lightweight"—not about the European Union, but about the Leader of the Opposition.

Richard Younger-Ross (Teignbridge) (LD) *rose—*

Rob Marris (Wolverhampton, South-West) (Lab) *rose—*

Mr. John Redwood (Wokingham) (Con): Will the Foreign Secretary give way?

David Miliband: No, I shall make some progress. The economic package—

Ann Winterton (Congleton) (Con): Will the Foreign Secretary give way?

David Miliband: No. I did say that I would make progress, and I really must. The package also sends a clear signal that the European Union's response to the

[David Miliband]

crisis must lie in openness, not protectionism. That point was raised by my now-departed right hon. Friend the Member for Leicester, East (Keith Vaz). *[Interruption.]* Oh, there is he is; he is still here.

The clear lesson of the 1930s is that the response to the banking crisis, not the crisis itself, will determine the depth and duration of this recession. We will continue to resist pressure to raise barriers to trade and investment and vigorously promote market access for all businesses. The second main item on the Council's agenda is the climate and energy package. If we are to avoid dangerous climate change, it is vital that the European Union should work towards finalising the details of its ambitious climate leadership programme.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Will my right hon. Friend give way?

David Miliband: Let me make a bit of progress; after that, I will be happy to give way to my hon. Friend.

The aspirations that European Union leaders signed up to in March 2007—to cut carbon emissions by 20 per cent. by 2020, and by more if there was a global deal—have placed the European Union firmly at the forefront of the battle against climate change and the drive to build a low-carbon economy. We need to sustain the European Union's leadership to capitalise on President-elect Obama's promise to green the US economy and build momentum globally towards a deal at Copenhagen. It is fair to say that the difficult economic context has made that agenda more challenging; some have argued that we cannot now afford to be so ambitious. They see climate change as a second-order priority, to be deferred until the global economy gets back on track.

Mr. Redwood *rose—*

David Miliband: I will bring in the right hon. Gentleman after I have set out my argument.

The Government are clear that the argument that I have just mentioned would be the wrong response to the slowdown, because only a low-carbon recovery will be a real recovery. Oil prices may have fallen in recent months, but as and when demand picks up they will rise again. The International Energy Agency believes that oil prices will remain volatile for some time, and that by 2030 rising demand could push them to more than $200 a barrel. Unless we act decisively now, we will emerge from the credit crunch only to face a more fundamental resource crunch, which will fuel inflation and act as a brake on growth. That is why the fiscal stimulus package needs to be smart to rebuild the economy on low-carbon lines.

Several hon. Members *rose—*

David Miliband: I give way to my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart), as I promised. Then I shall bring in some other hon. Members.

Ms Stuart: Is my right hon. Friend troubled by reports in the European press—not just in Germany—that some of the Heads of State and Prime Ministers are arguing that climate change has to take second place and that fighting it should not be done on the back of a risk to competitiveness? Will my right hon. Friend be careful to resist allowing climate change to take second place, as the issue is very important for the long term?

David Miliband: I am troubled by that, and I will do my best with my right hon. Friend the Prime Minister to resist those pressures. It is evident to me that unless we build a low-carbon recovery, it will not be a sustainable recovery—either in economic or financial terms. That is why we must achieve such a recovery.

Jo Swinson (East Dunbartonshire) (LD): Does the Foreign Secretary see the irony in the fact that, at the very time when the climate change conference is happening in Poznan in Poland, Poland is one of the countries that is reported to be dragging its feet and arguing that we do not need such deep cuts in emissions? What steps is he taking to try to convince our European partners that Europe needs to continue the leadership that it has shown on this issue if we are to ensure that we have a successful result in Copenhagen next year?

David Miliband: The hon. Lady makes an important point. I had a long and detailed bilateral meeting with the Polish Foreign Minister about this last month in Brussels. Poland is very dependent on coal. I therefore hope that what I am about to say about carbon capture and storage speaks directly to her point.

The Prime Minister will argue at the Council for a durable funding mechanism to encourage investment in carbon capture and storage. The 2007 agreement included a commitment to build up to 12 demonstration plants by 2015. With global emissions from coal set to increase by 73 per cent. to 2030, it is critical that we develop the technology and apply it at scale. The European Parliament has proposed that allowances from the new entrant reserve of the emissions trading scheme should be set aside to support CCS projects. We have given this proposal our full support, and it goes a long way towards meeting the Polish fear about its very unusual coal dependency and offers a way to square the circle of energy security and tackling carbon emissions.

Mr. David Heathcoat-Amory (Wells) (Con) *rose—*

David Miliband: I promised to give way to the right hon. Member for Wokingham (Mr. Redwood).

Mr. Redwood: Why is it that EU competition rules have put Northern Rock into wind-up to avoid subsidised competition but are not having the same impact on RBS and HBOS?

David Miliband: The particular accounting standards for Northern Rock are the subject of a long and detailed debate. I am happy to write to the right hon. Gentleman about that, but I will not get into it now. I would just say that the Government have been defending the current state aid regime precisely because of the balance that it seeks to strike and the limits that it places on Governments right around Europe.

Let me make the point about the link to the economic recovery plan. The European Commission document puts on the table a €5 billion public-private European green cars initiative. It proposes to focus structural funds on new energy-efficient buildings, with an increase of up to €6 billion a year in the European Investment Bank financing for climate change, energy security and infrastructure investment. This is precisely the sort of transformational change that the European economy needs.

Rob Marris: Could my right hon. Friend say a little more about what the European Union is doing on the other side of the equation to adapt to climate change? For example, almost every member state of the EU has a land border with another member state, as does the United Kingdom in Ireland, and there are issues to do with water flows, flooding and such like. What is the EU doing to assist with the co-ordination of adaptation policies for climate change?

David Miliband: My hon. Friend makes an important point. It is fair to say that we have only scratched the surface of this, but the European budget review from 2013 provides a major opportunity to green the European budget as regards not only the mitigation of climate change but adaptation.

Andrew Miller (Ellesmere Port and Neston) (Lab): My right hon. Friend will be aware of meetings that have taken place between the Society of Motor Manufacturers and Traders and my right hon. Friend Lord Mandelson. Will he ensure that the weight of his Department is put behind those talks? It is vital to the British economy that we have some genuine partnerships that will bring this green transformation in the vehicle industry into our UK plants. In my constituency, we need to get less of the nonsense that we have had from *The Times* about secret meetings that did not take place and more positive action such as that coming from the SMMT.

David Miliband: My hon. Friend is a doughty fighter for a modern car industry, and therefore, by definition, a green car industry. The €5 billion public-private green cars initiative in the European Commission's proposals speaks directly to that.

I need to address some of the external relations issues that will be tackled this week. The modern insecurities of terrorism, the chaos in parts of Africa and the long-standing challenges of the middle east will dominate foreign policy discussion on Thursday and Friday. I attended the General Affairs and External Relations Council in Brussels yesterday in preparation. We discussed and denounced the attacks in Mumbai, and agreed that the European Union needed to enhance its relationship with Pakistan given the economic and political problems there. The potential for political co-operation, improved trade relations and development assistance with the still relatively new civilian Government in Islamabad more than merits EU attention, and I welcome the prospect of an EU-Pakistan summit next year.

Across Africa, there are deep-rooted problems in Zimbabwe, Somalia, Sudan and Congo. I hope that we can have more thoroughgoing discussion tomorrow in our debate on the Humble Address, but I welcome the additional EU sanctions on individual members of the Mugabe regime. His is a rogue Government spreading death and destruction around his country, not just a rogue state spreading disease to its neighbours. Our humanitarian aid now totals £47 million, and it is helping 3 million people, but none of us can rest until the people of Zimbabwe get the real hope that comes from a Government of their own, delivering for them. That requires the active engagement of African states and the UN, which will be our continuing focus.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): Apart from the Zimbabwean diplomats and politicians with whom the European Union has dealt already this week, have the Government received any representations from the South African Government, or other Governments contiguous to Zimbabwe, on the efforts that they believe the EU can make to tackle the cholera outbreak?

David Miliband: There is certainly discussion about European humanitarian aid, but beyond that and the sanctions, my answer is no, not to my knowledge. That reveals the centrality of those neighbouring African states. In all of our extensive discussions, the levers are in their hands, rather than those of the European Union. We do supply humanitarian aid, however, and we have imposed sanctions on individual members of the regime. My hon. Friend will remember that we tried to get global sanctions imposed on the regime in July at the UN Security Council, but we were rebuffed by two vetoes. We warned at the time that Mugabe was playing for time, and I am sorry to say that we have been proved right.

Lembit Öpik (Montgomeryshire) (LD) *rose—*

David Miliband: I am happy to give way on that point.

Lembit Öpik: On terrorism, I would like to ask the Foreign Secretary to consider whether the forthcoming EU summit is a good opportunity to consider whether collectively we might seek to address the motives of terrorism without condoning its methods. It seems to me that on a collective basis, it would be a good strategic opportunity to apply the lessons of Northern Ireland on an international basis.

David Miliband: The hon. Gentleman makes a profoundly important point, but it is not what I was actually talking about. The way in which the European Union can play its greatest role is to help the weak states—notably Afghanistan and Pakistan, but also others elsewhere—to build some sort of national capacity for good governance.

That point relates directly to the issue of Somalia, where today is a significant day. Although the problem of piracy is one of the oldest foreign policy problems in the world, today there is a very modern variant in the gulf of Aden. Yesterday, the EU launched its European security and defence policy mission, with contributions of ships and aircraft from eight EU member states, under British command. The aims and objectives of the mission are to safeguard the delivery of humanitarian supplies to Somalia and to protect other vulnerable shipping by deterring and disrupting piracy in the region. At the moment, 19 ships have been taken hostage in the bay of the gulf of Aden—testimony to the current insecurity of shipping that affects all of us through its impact on global trade. This ESDP mission is no substitute for a political and security process on the ground in Somalia, but it is vital none the less. I look forward to a wider discussion of Somalia as a whole in due course, but the mission ultimately depends on proper political progress on the ground in Somalia.

Mr. Paul Keetch (Hereford) (LD) *rose—*

David Miliband: Is it about this precise point?

Mr. Keetch: Absolutely.

The Foreign Secretary is right to say that the ESDP mission is the first naval deployment of European forces, working together. Is that not exactly the sort of operation that people in his party and in mine foresaw, with European nations working together in a military form—or in this case a naval form—for the benefit of all our communities? It is exactly the kind of operation that the ESDP is designed for, and I hope that it will be successful.

David Miliband: The hon. Gentleman has long taken a principled stand in favour of the ESDP, and I applaud him for it. In Aceh, the west bank, Darfur, Bosnia, Afghanistan and Chad, the ESDP is proving its worth and I will say more about that in a moment.

In the middle east, all sides recognise that the promise a year ago of a Palestinian state in 2008 will not be delivered this year. That means more misery for Palestinians and more insecurity for Israelis. However, as well as continued suffering, in the past year there have been serious talks across the Israel/Palestine divide, a new Israel/Syria track, and progress—notably in the west bank—on economic development and security. EU Foreign Ministers will discuss on Thursday night the role of the EU in 2009. I will advocate the following points. First, we need continued clarity that security for Israel and a state for the Palestinians, based on 1967 borders, are key to a stable middle east. Secondly, there must be continued focus on all meeting their road map commitments, including practical help on the ground for humanitarian assistance, economic development, including through next week's Palestinian investment conference in London, and Palestinian security capacity. Thirdly, renewed engagement with Arab states in the region is key to a comprehensive process and a comprehensive peace. That is what I call a 23-state solution, not just a two-state solution, using the Arab peace initiative as an important building block.

Leaders' summits are also an opportunity to take a step back from the immediate problems and crises and adopt a more strategic view. On Friday, High Representative Javier Solana will report to the Council on the implementation of the 2003 European security strategy. That will show how closely the EU's security strategy is aligned with ours. Like the UK's national security strategy, it will address the wide range of security threats that we now face—from terrorism and nuclear proliferation to economic and energy insecurity.

NATO is and will remain the cornerstone of European defence. However, as the US ambassador to NATO said:

"An ESDP with only soft power is not enough...the US needs, the UK need NATO needs, the democratic world needs a stronger, more capable European defence capacity."

Mr. Cash: That is total rubbish.

David Miliband: I am sorry, but it is a quotation from the American ambassador to NATO, so let us be careful.

Mr. Cash: He is wrong.

David Miliband: No. I am sorry, but I enjoyed that so much that I will have to read it again. The US ambassador to NATO said:

"An ESDP with only soft power is not enough...the US needs, the UK need NATO needs, the democratic world needs a stronger, more capable European defence capacity."

That means a more joined-up civilian-military strategic level planning structure in Brussels to ensure greater coherence between the EU institutions, civilian and military planners, and the EU and NATO. It also means measures to encourage investment in the right kind of capabilities, and a new ESDP ambition to reflect the wide range and complexity of the missions that Europe is increasingly undertaking, whether through the EU or NATO—involving not only soldiers, but policemen and judges, aid workers and customs officials.

Mr. Edward Davey (Kingston and Surbiton) (LD): Perhaps the Foreign Secretary could read the quote a third time because it shows the disarray in the Conservative position on defence policy, especially with respect to the new Administration in Washington. May I take him back to his point on the middle east? He did not refer to an issue that I thought he would mention—the Government's policy and what they have argued in Brussels on the trade agreements between the EU and Israel, and exports from the Jewish settlements in the occupied Palestinian territories. What is the Government's position on those exports?

David Miliband: The Government's position is to defend the EU-Israel trade agreement of 2000, as amended in 2004, which offers preferential trade for Israeli goods. It also offers—or should offer—preferential trade for Palestinian goods. It does not offer preferential trade benefits to goods from settlements. We are defending that agreement because it is the right thing to do—in legal and political terms. I hope that hon. Members of all parties support that position.

Mr. David Wilshire (Spelthorne) (Con): The Foreign Secretary gave me the lead that I needed when he mentioned civilian involvement in some of the issues that he described. I want to ask him about Russia and Georgia. Will the summit take the opportunity to discuss the continuing issue there, because EU monitors are involved? If we are to make a contribution, is it not essential that those monitors have access to both sides of the de facto border? We must also realise that violence is starting again and unarmed monitors may not be the long-term solution.

David Miliband: On the first part of the hon. Gentleman's question, I completely agree that there must be proper access, and not just for EU monitors, but for Organisation for Security and Co-operation in Europe monitors. The OSCE summit last Thursday in Helsinki, which I attended, addressed that issue directly, including with the Russian Foreign Minister. It is vital that all sides respect all aspects of the August and September agreements. The European Union has dispatched its monitors with good speed and they are ready to take their place alongside OSCE monitors. However, the OSCE monitors are not being allowed into South Ossetia and are certainly not being given the freedom of manoeuvre that they should be given.

Mike Gapes (Ilford, South) (Lab/Co-op): Will the Foreign Secretary give way?

Mark Pritchard *rose—*

David Miliband: The hon. Gentleman says that he is the chairman of the all-party group on Russia and on that basis I am happy to let him in.

Mark Pritchard: I am grateful that the Foreign Secretary is so well briefed. On Russia, clearly the Sarkozy plan should be implemented, so why are the British Government, despite the fact that four of the six points of the plan have not been implemented in Abkhazia and South Ossetia, offering rewards without repentance and, potentially, an EU partnership deal? Why are the British Government going soft on Russia?

David Miliband: That really is a foolish way to describe the position. The Government are not going soft and we are not offering rewards without repentance. First, the partnership and co-operation agreement to which the hon. Gentleman refers is in our interest—it is the European Union that wants it. Secondly, the partnership and co-operation agreement has in its preamble precisely a reference—*[Interruption.]* The hon. Gentleman should listen to my answer before he starts shouting back. The preamble precisely includes a reference to the sovereignty and territorial integrity of Georgia, which means that we can properly discuss it. Thirdly, on the position of the British Council, on which he has supported the Government in the past, the culture section of the partnership and co-operation agreement allows us to raise the issue. Far from rewarding Russia, we are addressing the issues of concern that exist between us.

Mike Gapes: The Foreign Secretary referred to civilian missions, but he has not yet referred to what has happened in Kosovo. Yesterday, the European Union rule of law mission in Kosovo, or EULEX, took over responsibility for policing. However, as I understand it, that mission is status-neutral with regard to the position in Kosovo. How does he think it will be able to operate in practice, including in Mitrovica and the other Serb-populated areas of Kosovo?

David Miliband: My hon. Friend has anticipated the exciting denouement to my speech and my paean of praise to the European Union rule of law mission, which is the largest European security and defence policy mission ever. However, I will address the issue now—and thereby take away the excitement of the conclusion to my speech—because he asks a specific question to which I want to give an answer. Just to be clear, the rule of law mission is deploying across the whole of Kosovo, with unanimous support from the UN Security Council, the Kosovo Government and Serbia. That is thoroughly welcome and will help the region's progress towards eventual membership.

My hon. Friend raised the issue of status. Status is for nations to decide. It is up to our country to decide whether to recognise Kosovo. We have done so, along with 52 other countries. UN resolution 1244 was status-neutral. If he looks at the wording of the agreement that was signed two weeks ago, he will see that it refers to the status-neutral nature of resolution 1244. However, EULEX is there to protect individual citizens, whatever their ethnic origin, and not to decide on status questions. Therefore, although the text of the agreement has been carefully gone over, it is important that confusion does not arise. I hope that my explanation today—that EULEX is there to offer individuals protection, whatever their ethnic origin, and not to decide on questions of status—is understood in the context of status-neutral UN resolution 1244, which set the stage for the political process, which eventually led to the declaration of independence by Kosovo.

Let me conclude. I will not have time today to talk about the very important eastern partnership that the EU has now developed—with countries to its east, obviously—as part of the European neighbourhood policy, but we can talk about that tomorrow if it is of interest to hon. Members.

At the summit, the UK will continue to be an advocate for a reformed European Union, honouring its origins as a grouping of nation states who choose in some areas to share power. That means that the Government of Ireland will be able to decide for themselves whether and how to follow up the decision of the Irish people in their referendum on the Lisbon treaty earlier this year. Our position on this is clear: the treaty can come into force only if backed by all 27 member states, and we do not propose to reopen this Parliament's passage of the Lisbon treaty.

The advocacy will also continue for a complete overhaul of the common agricultural policy. That is worth mentioning in the light of the recent health check, which will end half the remaining coupled payments, direct more money towards activities to address the new environmental challenges, help to level the playing field on modulation, and simplify the rules for farm payments. But it did not go far enough. In next year's budget review, we will be pushing for a complete overhaul. Direct payments should be phased out, because markets should provide farmers with their incomes, and we should instead focus subsidies on delivering the environmental benefits that markets cannot deliver.

This European Council agenda demonstrates that the EU is now a critical vehicle for the UK to pursue its international agenda for the benefit of the British people—

Daniel Kawczynski: Never!

David Miliband: There is the voice of the modern Tory party. Actually, the hon. Gentleman wants to pull out of the European Union. He says "Never!"—*[Interruption.]* I am happy to clarify—*[Interruption.]* I said that the European Union—

Daniel Kawczynski: On a point of order, Mr. Speaker.

Mr. Speaker: I do not think that this is going to be a point of order, but let me hear it.

Daniel Kawczynski: May I state for the record that I have not called for a withdrawal from the European Union? It is highly irresponsible of the Secretary of State to insinuate that.

Mr. Speaker: That is a matter for debate, not a point of order.

David Miliband: Let us, for the record, be absolutely clear that what the hon. Gentleman said " Never" to was the claim that the European Union should be a critical vehicle for the UK to pursue its international agenda for the benefit of the British people. That is what he said "Never" to, and we thereby know where he is coming from and where he wants to go to.

[David Miliband]

The truth is that, to forge an effective global response to the economic downturn, to drive a successful low-carbon economy to curb climate change, and to address the security threats that we face, from Russian aggression in Georgia to piracy off the coast of Africa, we have to work with the EU and our European allies. It is only through co-operation and engagement that we maintain the level of influence that we do in Brussels.

The Finnish Foreign Minister was recently in London, and he met the shadow Foreign Secretary, the right hon. Member for Richmond, Yorks (Mr. Hague). The Finnish Foreign Secretary said that

"what we are seeing with the current British Government is one which has a voice and which is at the heart and leading edge of the debate"

in Europe. He added that

"true engagement means that you have to work in the mainstream European political parties, such as the European People's party"—

That is—*[Interruption.]* The Conservative Finnish Foreign Minister is being jeered by the Conservatives. That tells us a lot about the modern Conservative party. This is how—

Daniel Kawczynski: They are a bunch of communists.

David Miliband: The hon. Gentleman says that they are a bunch of communists. That says a lot about—*[Interruption.]* What he is in fact saying—*[Interruption.]* I did hear the word "communists" correctly. I now understand that he is talking about the socialist group. What the hon. Gentleman should realise is that, in the left-of-centre parties, the Euro-communists are terribly right wing by comparison with the social democrats. His knowledge of left-of-centre politics should tell him that.

I do not want to leave the Finnish Foreign Minister yet, however. This is what he concluded:

"If you marginalise yourself, you simply do not have a voice."

We would not have a voice on the leading edge of Europe; we would be on the hard shoulder of Europe. The truth is that this Government have a vision not just for Britain in Europe, but for Europe in the world. The Conservative party offers only a path to Britain's isolation in Europe, and to a Europe with less power and influence on the world stage. The choice is simple: deal with the realities of an increasingly interdependent world or deny them. I look forward to the debate, and to the decisions in the weeks and months ahead.

4.19 pm

Mr. William Hague (Richmond, Yorks) (Con): There has often been a ritualistic air to our six-monthly debates on European matters, and the closing moments of the Foreign Secretary's speech were a reminder of that, although it was not so ritualistic to confirm that Euro-communism is on the right of the Socialist group in the European Parliament, which puts some of the positions and views of Labour MEPs into perspective. The Foreign Secretary quoted what the Finnish Foreign Minister said to him—

David Miliband: And in public.

Mr. Hague: And, indeed, what he said in public a few weeks ago. However, the Finnish Foreign Minister then came round to my office and I have to tell the Foreign Secretary that the Finnish Foreign Minister and I concluded that there was plenty of scope for easy co-operation between the Finnish Government and a Conservative Government after the next general election, so the Foreign Secretary needs to be a little careful with his quotes.

I believe that the significance and seriousness of events over the past six months make our present debate a little different from usual. Since our last debate on these matters, the economic downturn has intensified, there has been war in Georgia, the situation in the Balkans has in some respects deteriorated and the Lisbon treaty has remained becalmed after Ireland's rejection. All those matters require some examination in the debate.

The Foreign Secretary raised some broader issues that I hope to turn to if I can catch your eye again tomorrow, Mr. Speaker, in the Queen's Speech debate on foreign affairs and defence. For now, let me refer to what the right hon. Gentleman said at the beginning of his speech about Zimbabwe and yesterday's discussion among EU Foreign Ministers. We—and, I imagine, all quarters of the House—very much welcome the discussion and the agreement to add 11 more regime officials to the EU travel ban and assets freeze list. However, I hope that the right hon. Gentleman will agree that if the bans are to carry any weight with the regime, they must be scrupulously enforced by all countries of the EU. Banning more than 100 officials from the EU had very little point when Mugabe himself was welcomed to Lisbon last December, notwithstanding the fact that all the bans were supposed to be in place. I know that the Government felt as strongly about that as we did and the Prime Minister did not attend the summit.

The Foreign Secretary was also right to seek to take this matter back to the UN Security Council—he referred to that in passing today—and to say that African countries now have a particular responsibility to bring about positive change in Zimbabwe. We certainly welcome the robust statements of the Governments of Kenya and Botswana, urging Mugabe to go. My right hon. Friend the Leader of the Opposition spoke yesterday to Botswana's Foreign Minister, who has called for a ban on fuel supplies to the Zimbabwean army and police. We hope that the Government will lend their support to such proposals that target the regime and urge African countries to implement them.

We also hope that the Foreign Secretary will intensify the preparations, for which we have called, for the days after Mugabe, so that when a new Government are in place in Harare, arrangements will already be in place, backed by EU nations, for the massive programme of aid that will be needed, for the establishment of a contact group to provide diplomatic support and for assistance to rebuild the economy, reform the security services and so forth. We particularly hope that Ministers will raise with African nations the need to develop the capacity to deploy a humanitarian force in Zimbabwe at short notice if required—an over-the-horizon force that would be ready to make sure that the basic functions of the state could continue and that aid reached those in need.

Mr. Davey: I completely agree with the right hon. Gentleman's remarks about Zimbabwe, especially his point about post-Mugabe preparations. Does he agree

with us, however, that one thing that the Government could do right now, here in the UK, is to give Zimbabwean asylum seekers, pending the decision on their cases, the right to work so that they can gain experience of employment, earn some money and engage in education and training? Will he support our call on that?

Mr. Hague: I think that the hon. Gentleman makes a powerful case about Zimbabwean asylum seekers, but I would want my home affairs colleagues to make any Conservative party commitments. The hon. Gentleman makes a powerful case, as I said, but this and future Governments will have to ensure that any decisions are made in line with a robust overall asylum policy. We should have regard to what the hon. Gentleman says, but all cases have to be considered on their merits.

The severity of the economic downturn's impact on each country has depended on how well the Governments of each country have prepared for less easy times—in other words, on whether they fixed the roof while the sun was shining, which did not happen in this country.

When he was Chancellor, the Prime Minister used to enjoy lecturing other European Governments on how to run their economies, and was notorious at ECOFIN meetings for his patent lack of interest in anything that they had to say. I hope that when he goes to the summit on Thursday he will show a bit of humility and contrition. I know that there is very little chance of that: I merely express a hope that the Prime Minister will begin to show those attributes.

The Organisation for Economic Co-operation and Development predicts that Britain will experience the steepest rise in unemployment in the G7. The European Commission has said that this country will experience the deepest recession of any nation in the G7. After 16 years of global economic growth, the United Kingdom has entered the present downturn with a larger budget deficit than more than 100 other countries, including countries such as Kazakhstan and Uganda.

According to the European Commission's autumn economic forecast—the Foreign Secretary quoted a few percentages and statistics—Britain's cyclically adjusted budget balance will be minus 5 per cent. next year and minus 5.5 per cent. in 2010, compared to minus 0.3 per cent. in Germany and a surplus in Germany subsequently. That might be why Mrs. Merkel was not at the meeting yesterday.

Each European Union member state's appropriate response to the downturn is determined by its domestic situation and, of course, domestic views. The European Commission was absolutely right to emphasise that in its announcement on economic recovery, when it said

"Those that have used the good times to achieve stable public finances have most room for manoeuvre."

Such a sharply pointed reminder that Governments who failed to put public finances on a sound basis now have very little room to manoeuvre ought to have caused some pain in Downing street.

Mr. Redwood: My right hon. Friend is correctly defending the German position, which is more prudent. The draft conclusions that the Government will be invited to accept include a reference to

"Restructuring of the European defence industrial and technological base around centres of European excellence, avoiding duplication".

Is not that both very anti-competitive and a threat to many successful factories in Britain?

Mr. Hague: My right hon. Friend is right to draw attention to that passage, which does indeed appear in the conclusions obtained by our right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) from the Danish Parliament. I obtained another version a few hours ago, although it was entirely in French. The English version had not yet reached me.

We shall want to know in much more detail exactly what that means from, among others, the Prime Minister when he returns and makes a statement to the House next Monday. The Foreign Secretary clearly did not want to include it in his analysis of the summit, but anything that was anti-competitive or constrained the country in its defence co-operation with the United States would be a very serious matter.

Kelvin Hopkins (Luton, North) (Lab): Does the right hon. Gentleman not accept that the Prime Minister committed one act of great wisdom in keeping Britain out of the euro? Had we been in the euro, we would have been pinioned to an over-valuation that would have been catastrophic for our economy. The depreciation will at least deflect some demand to our home economy, and help us to recover.

Mr. Hague: The hon. Gentleman anticipates a passage a few pages later in my speech. Having not talked about the euro for many years, I have been given the opportunity to do so again today by Lord Mandelson's blundering into the matter. I shall come to the hon. Gentleman's point shortly, but first I want to finish my point about the fiscal stimulus to which the Foreign Secretary referred, when he called in aid other countries around Europe. I am surprised that he did not cite the Irish Government, who have said:

"The priority for countries like Ireland, with relatively high general government deficits, is to get our public finances back in order"

—or the German Chancellor, Mrs. Merkel, who has rightly said:

"We should not get into a race for billions."

If the Foreign Secretary will not listen to a Conservative Chancellor, he ought to listen carefully to Germany's Social Democrat Finance Minister, who has said:

"Since I've been dealing with economic stimulus packages since the end of the 1970s, they've never had the real effect that was hoped for. In the end the state was just more in debt than before."

He also said:

"Just because all the lemmings have chosen the same path, it doesn't automatically make that path the right one."

The Foreign Secretary may think that the German Government have the same view as our Government, but the German Government themselves do not think that they have the same view as the British Government, and the British Government should take careful note of that. What I have quoted represents the approach of a responsible centre-left party in a Government who are not set on doubling their national debt over the next four or five years while spending more on paying off debt than they spend on schools and transport, which is what is happening at present in the United Kingdom. Ministers might also benefit from listening to other advice that some EU Governments have been kind enough to offer. In particular, they might wish to pay attention to Madame Lagarde, the French Finance Minister, who has gently explained:

[Mr. Hague]

"I do not like to disagree with my friend Alistair but as far as we're concerned...we're not certain that when prices go down a VAT reduction is that effective".

The truth is that the Government are isolated in Europe, having lectured others about supposedly being isolated.

Members might have wondered why the European Commission avoided recommending specific measures on national stimulus proposals in the economic recovery plan to which the Foreign Secretary referred. One European diplomat leaked the reason. He spoke on condition of anonymity, no doubt fearing he would be arrested if he came to this country. He said:

"Several member states would have liked to openly back some concrete ideas on the preferred instruments for the national recovery packages, but they disagreed to support the idea of VAT cuts, but the UK did not want to see this measure missing on the list, so as to avoid criticism at home for taking this approach. So the conclusion was not to include any preferable measures."

The Government therefore preferred to have no list of recommended measures than one that emphasised their own minority, and isolated, position.

Mr. Mark Hendrick (Preston) (Lab/Co-op): Will the right hon. Gentleman give way?

Mr. Hague: No, I will just finish on this matter, because the hon. Member for Luton, North (Kelvin Hopkins) made an important point on the euro that I want to address.

Given this dire economic background and the steady loss of the Government's credibility, a truly bizarre development has been the sight of members of the Cabinet returning to advocating—

Mr. Hendrick *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. The right hon. Member for Richmond, Yorks (Mr. Hague) is clearly not giving way at this time.

Mr. Hague: I have taken a number of interventions, and I will give way to the hon. Gentleman later, if he behaves; that might be unlikely, but we will see how he gets on.

As I was saying, a truly bizarre development has been the sight of members of the Cabinet returning to advocating the one measure that, as the hon. Member for Luton, North said, would have made matters even worse for this country: membership of the euro. Since eurozone interest rates have been held at lower levels than those of this country for many years, it is fair to assume that if they had been applied to this country they would have made the unsustainable boom in our housing market even worse, and since those interest rates have been cut more slowly than British interest rates in recent weeks, it is also fair to assume that membership of the eurozone would now be making our dramatic bust even worse. So while the Prime Minister's claim to have abolished boom and bust is already a matter of ridicule, it is clear that a boom-boost cycle in the British economy would have been exacerbated, rather than dampened, by eurozone membership.

None of this has stopped the dear noble lord, Lord Mandelson, who seems to be taking over ever wider swathes of the Government's foreign and economic policy—the Foreign Secretary had better watch out on that score—from reminding the nation that the Government are committed to euro membership in future. Nor has it stopped some of the "people who matter", in the words of Mr. Barroso, the President of the European Commission, from telling him that Britain is warming to the euro.

What makes this even more ridiculous is that the shockingly incompetent management of the nation's finances by the current Government means that Britain will soon not be eligible to join the euro, since our Budget deficit is ballooning way beyond the Maastricht criteria and our national debt is heading for a level that, if any of the massive off-balance sheet liabilities of the Government are included, will take us outside the euro's entry criteria. Is it not a pretty damning summing up of this Government's conduct of our nation's affairs that they are reaffirming their dogmatic commitment to a policy that would have made matters worse, while bringing such ruin on this country that they would no longer meet the rules for implementing it anyway? That is now the Government's policy on the euro.

Mr. Heathcoat-Amory: As my right hon. Friend will be aware, just as Europe was about to go into recession, the European Central Bank increased interest rates in July. What did he make of the Liberal Democrats' call for radical and immediate cuts in interest rates at the precise moment when the rate for the euro, which they want to join, was going in the opposite direction? Would that not have been truly catastrophic for the British economy?

Mr. Hague: My right hon. Friend is, of course, right to say that that would have been catastrophic. What I make of what he has described is that the Liberal Democrats have adopted two wholly inconsistent positions. I am unable to regard that as a novelty; it is a commonplace of our debates, but I am grateful to him for pointing it out. Just to move on from that—

Mr. Cash *rose—*

Mr. Hague: Oh, I am not going to move on; I shall give way to my hon. Friend.

Mr. Cash: I am glad to hear that. Would my right hon. Friend also reflect upon the fact that the figures given by the Chancellor of the Exchequer in the pre-Budget report statement referred only to the British position as compared with the Maastricht arrangements? If those are taken into account, the figure that was given for debt—57 per cent. of national income—is below the 60 per cent. to which my right hon. Friend has just referred. That was a deliberate misleading of the House because the Chancellor refused to comment on the figures in the pre-Budget report when I raised the matter with him.

Mr. Hague: The point I would make in relation to the one made by my hon. Friend is that the 57 per cent. of gross domestic product that our national debt is meant to represent will, of course, apply only if the Government's economic forecasts are correct. The recent record is that they are spectacularly incorrect, so the figure could be much higher. I have just made the point—I think that this is also what he is referring to—that this country has massive off-balance sheet liabilities and they take our true debt to a far higher level.

It would be helpful if, in the spirit of open government, the Foreign Secretary or the Minister for Europe cleared up some questions about the euro. Which Minister

discussed Britain's membership of the euro with the President of the Commission? When did the Foreign Secretary last discuss it with him? Can the Minister for Europe tell us whether the Business Secretary was correct in saying that he has not had a conversation with Mr. Barroso about Britain's membership of the euro since 2004? Alternatively, does she share the Health Secretary's view? He said that

"it would be very unusual if"—

Lord Mandelson—

wasn't talking to Barroso".

Specifically, was the Business Secretary right to say that it is still the Government's goal for Britain to join the euro? We would love to know whether the team of Foreign Office Ministers shares that opinion.

Mr. Hendrick *rose—*

Mr. Hague: I shall give way to the hon. Gentleman; he has behaved.

Mr. Hendrick: I thank the right hon. Gentleman for giving way; he is quite gracious. Since when has it been Conservative party policy not to reduce taxation? He will recall the former Conservative Government increasing VAT to 17.5 per cent. and this Government reducing VAT on domestic fuel to 5 per cent. Since when have his Opposition been against tax cuts?

Mr. Hague: I did not catch the end of the question, but I think that the hon. Gentleman was asking about tax reductions. It is our contention that if tax reductions are to be made when there is a ballooning budget deficit, they have to be paid for. That is why we have shown how all the tax reductions that we have advocated would be paid for.

Mr. Hendrick *rose—*

Mr. Hague: I think that the hon. Gentleman has had his opportunity to ask that.

My hon. Friend the Member for Stone (Mr. Cash) referred to figures in the pre-Budget report, and I wish to draw attention to a European aspect of the figures. The House will remember that at the end of 2005 the Government chose to give up £7 billion of Britain's Fontainebleau rebate in return for a commitment to review the common agricultural policy in 2008. Many of us pointed out at the time that that was a very concrete and expensive concession to make in return for a vague and almost certainly meaningless commitment. The agreement of the then Chancellor, now the Prime Minister, to that unnecessary fleecing of the British taxpayer was an early sign that his premiership would be characterised not by prudent strength in financial matters, but by dithering weakness—indeed, that has proved to be the case.

Given this background of soaring public debt in Britain, it ought to be particularly disappointing for the Government that, as we predicted and as was entirely predictable, despite the sacrifice of so much of the rebate, there is no guarantee that the current talks on the CAP health check will produce the result that all parts of this House want. Member on both sides of the House may not have noticed figures in the pre-Budget report that were buried in a very small footnote on page 210 showing that Britain's annual net contribution to the European Union will rise from £2 billion this year to £6.5 billion in 2010-11—that is precisely the moment when the Government expect belts to be tightened in British public expenditure. That is the result of their pathetically weak negotiation three years ago.

Daniel Kawczynski: Does my right hon. Friend share my concerns about the British rebate and the fact that under this Government we have fallen behind France in terms of GDP, but will continue to pay more into EU coffers?

Mr. Hague: My hon. Friend makes a powerful point. It looks as if we will fall behind Italy soon, in terms of the size of the national economy, and that will be the legacy of this Government, who have broken all records in economic indebtedness and in damaging the competitiveness of this country.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): The right hon. Gentleman mentions the subsidies that the transfers from the UK have given to the European Union, but he should remember that the common fisheries policy—as pointed out by the hon. Member for Great Grimsby (Mr. Mitchell)—has probably accounted for about £3 billion of unseen subsidy. Does he agree with the SNP's position that exiting the CFP is the best policy?

Mr. Hague: I hope that the hon. Gentleman is very familiar with our wish to see greater local and national control over fisheries policy, which will only ever be achieved through a change of Government here at Westminster, and we look forward to working on that in future.

I hope that Ministers will be able to tell us whether they think that the sacrificing of such a large part of our rebate represented a good deal, and why the priority of the French Government in the negotiations was to get their way, but the priority of the British Government was to climb down whenever possible. Perhaps they can tell us why British taxpayers now face a double increase in expenditure, with a lower rebate and an expensive common agricultural policy. They might tell us, too, what estimate they have now made of the effect of the pound's dramatic fall against the euro and the further effect on Britain's budget contribution to the European Union.

Mr. MacShane: Will the right hon. Gentleman give way?

Mr. Hague: As a former Minister for Europe, the right hon. Gentleman may know the answers to those questions, and we look forward to hearing them.

Mr. MacShane: The shadow Foreign Secretary's last point about the depreciation in the value of sterling is important, because it will alter our financial contributions to the EU. But let us be clear that it was unacceptable that some of the poorest countries that had joined the EU after escaping from communism should have to sign over disproportionately large cheques to the UK because of the way in which the rebate was organised. It was right that, as a gesture of solidarity shared by other richer countries, we should help those new member

[Mr. MacShane]

states. The Opposition and their supporting press have been foul about the Poles and the other eastern Europeans working in this country—

Daniel Kawczynski: Not true!

Mr. MacShane: I suggest that the Tories should not send the message out that they oppose a dime of solidarity with our new friends in eastern Europe.

Mr. Hague: I do not think that we have been foul about the Poles. In fact, a party that contains my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) could not possibly be foul about the Poles, because we would get in a lot of trouble.

The right hon. Gentleman puts the case for giving up the rebate—*[Interruption.]* Well, he puts the case for giving up a large part of the rebate, then. Our point is simply that if the Government were going to do that, they should have driven a hard bargain, which is what previous Governments would have tried to do. To give up £7 billion of the rebate—an act that was not shared by other countries, as he suggests, because the rebate was an arrangement particular to the UK—and not receive in return concrete answers on the reform of the CAP was weak negotiation.

The same weakness has characterised the Government's approach to the European constitution and its reincarnation as the Lisbon treaty—*[Interruption.]* The Foreign Secretary mentioned that in his speech, so he cannot just roll his eyes when I mention it. It is an item for discussion at the forthcoming European Council, and, looking at the draft conclusions, it is one of the few items on which they do not yet know what they are going to say. Item 1 is the Lisbon treaty, and then there is a gap. It would be extraordinary if we did not raise that issue. What they ended up signing contained a huge number of provisions that they had vigorously opposed in the first place. What has been worse about their conduct of the negotiations on the constitution—*[Interruption.]* The Foreign Secretary is now asking the shadow Foreign Affairs team for copies of the conclusions, with which he ought to be familiar. If I were Foreign Secretary, I might have looked at them in advance rather than now.

What has been worse about the Government's conduct of the negotiations is the anti-democratic nature of the decision to break a solemn election pledge to hold a referendum in the United Kingdom. Those actions have fed cynicism about politics and the European Union and the Government have compounded that error by joining the refusal to listen to the people of Ireland, who so sensibly said no to the Lisbon treaty in their referendum last June.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con) *rose—*

Mike Gapes *rose—*

Mr. Hague: I shall give way only twice more, because I have not yet come on to the major foreign policy issues that I was going to address.

Mr. Hogg: Does my right hon. Friend agree that the fact that the Foreign Secretary did not know the contents of the draft minutes shows that in fact the results are in the hands of the bureaucracy and not in the hands of Ministers?

Mr. Hague: That is one of the many things that that might illustrate. The Foreign Secretary certainly clutched at the document with great eagerness when it was passed across the Table.

Mike Gapes: Will the right hon. Gentleman confirm that in June, when the Irish referendum was held, only 13 member states had ratified the Lisbon treaty but that 23 have now done so? In one of the other countries, Poland, the legislation has gone through both chambers of the Parliament and is merely awaiting the President's signature. In the Czech Republic, one chamber has passed the treaty. The Prime Minister's party in the Czech Republic, which is in favour of ratification, has just been re-elected. That is the party with which the right hon. Gentleman wishes to associate in the European Parliament.

Mr. Keith Simpson (Mid-Norfolk) (Con): And your point?

Mr. Hague: We are not quite sure what point the hon. Gentleman is making. In the one country that had a referendum on the Lisbon treaty, it was rejected. Four countries had a referendum on the constitution, the treaty's previous incarnation, and two of those—France and the Netherlands—rejected it. We are happy to speak with so many millions of people across Europe. The fact that other countries, including Britain, went on to ratify the treaty after the Irish referendum is the very point that I am trying to make. That continuation of ratification, even though the people of a sovereign nation had rejected the Lisbon treaty, showed the anti-democratic instincts that I am attacking.

Mr. MacNeil: Will the right hon. Gentleman give way?

Mr. Hague: I have given way to the hon. Gentleman already, and in fairness to the rest of the House, because I have a number of issues that I wish to raise, I should proceed.

One of the reasons we oppose the Lisbon treaty is that we believe that the EU does not need more powerful institutions, but that it needs the will and capacity to take action. That is true of a number of foreign policy areas, on which I think there will be less disagreement between those on the Government and Opposition Front Benches than there has been on the topics that I have raised so far. On some issues, the EU risks sending the wrong signals not through any lack of institutions or treaties but through a lack of appetite to face up to some serious challenges. One such challenge, of course, is the Iranian nuclear programme, on which we have called for and the Government have sometimes sought more serious and wide-ranging EU-wide sanctions. Since that subject falls more properly in the debate on international affairs we shall have tomorrow, I shall return to the subject then, but a couple of other major foreign policy challenges are more closely bound up in European affairs, one of which is the western Balkans.

The Foreign Secretary and I both recently toured the Balkans, where I think we both received a warm reception from the new Government of Serbia, from President Tadic downwards. The election of a Government in Belgrade who are looking to strengthen their ties with EU nations and the EU and the arrest of Radovan Karadzic are hugely positive steps that underscore the extent to which the prospect of EU membership can help to entrench democracy and open economies in countries that have only recently had the opportunity to establish those things. Of course, we now look to Belgrade to take action to extradite the remaining war criminals.

I know that the Foreign Secretary also shares our alarm at the deadlock in Bosnia and Herzegovina. We in the Opposition have drawn attention to that, and the right hon. Gentleman and the Czech Foreign Minister have rightly drawn their colleagues' attention to it. We warmly support his action in that regard, which was consequently discussed at last month's General Affairs Council.

The deadlock in Bosnia and Herzegovina continues to concern us because, despite the signing of the stabilisation and association agreement between Bosnia and the EU, the situation remains very fragile. Given everything that has happened in Bosnia in the past, and the huge efforts eventually made to allow the people of that country to establish themselves in peace and greater prosperity, I hope that the Foreign Secretary agrees that there is an absolute need for a tough EU approach. That approach must have the carrot of eventual EU accession, as well as the stick of robust reactions to threats to Bosnia's stability and sovereignty.

That is why we were concerned when EU Defence Ministers suggested in early October that the small remaining force of international troops in Bosnia would be withdrawn imminently. It is also why we are reassured to know that the decision was taken at the UN Security Council on 20 November to renew the force's mandate for a year, but I hope that Ministers will make it clear that, if necessary, that mandate should be extended further. That would make sure that the clear message goes to political leaders in Bosnia that backsliding will not be allowed and that the renewal of violence there will not be permitted.

We have a parallel concern about the situation in Kosovo. The Chairman of the Foreign Affairs Committee, the hon. Member for Ilford, South (Mike Gapes), raised this matter, and the Foreign Secretary gave a helpful explanation of the position of the 2,000-strong EULEX mission. We have been worried that there is a serious danger that if the deployment of EULEX is status neutral it may not be able to implement the Ahtisaari plan on the future status of Kosovo. That would lead to de facto separation of the northern part of Kosovo under the UN, from the rest of Kosovo under the EU.

When the Minister for Europe winds up the debate, I hope that she will additionally clarify the following point: is it the case that the police, customs and courts in Serbian enclaves will be under UN jurisdiction, while EULEX will be in charge of areas with a majority Albanian population? If not, we will welcome the assurances about EULEX. Are the Government confident that the arrangements will not result in a de facto partition of Kosovo?

Mr. Cash: Will my right hon. Friend give way on that point?

Mr. Hague: I think that I will get on, as I know that hon. Members, including my hon. Friend, wish to take part in the debate.

The immense subject of relations with Russia illustrates the same difficulty. I had hoped that the Foreign Secretary would say more about that, but he may address it tomorrow. The Opposition have rarely differed much with the Government in matters relating to Russia: we have stood together with them on matters such as the expulsion last year of four Russian diplomats, and we have shared their outrage at the murder of Alexander Litvinenko and the failure to bring Andrei Lugavoi to justice. We have certainly regretted with the Government Russia's rescinding of a number of international agreements on security in Europe, such as the conventional armed forces treaty. We all deplored Russia's actions in Georgia in August, while appreciating that the Georgian Government may also have made mistakes. Both the Government and Opposition have expressed support for democracy in Georgia and Ukraine and supported the ceasefire agreement sponsored by President Sarkozy, and so on.

The Foreign Secretary made a speech in Kiev earlier this year in which he said that Russia must learn that

> "there can be no going back on fundamental principles of territorial integrity, democratic governance and international law"

and that the west must

> "raise the costs to Russia of disregarding its responsibilities".

We completely agreed with that speech, and at the same time we united with the Government in supporting trade and dialogue with Russia and in being open to better relations if they can be created in the future through what the right hon. Gentleman described as "hard-headed engagement".

Therefore, we differ with the Government not over this country's strategy towards relations with Russia but over whether that strategy was consistently pursued last month. In our view, the European Council was right to uphold the ceasefire conditions at its meeting on 1 September, and to make it clear that the resumption of the suspended talks on a new EU-Russia partnership would depend on the complete implementation of the ceasefire agreement. However, the Council having taken those steps and made that clear, we consider it a mistake that it then resumed the partnerships talks anyway, even though it is clear that not all the ceasefire conditions have been met. In our view, that sends out, from the EU, a signal of weakness and of a lack of credibility where there should have been united strength. The message sent to Russia and the rest of the world on such matters is that the EU's bluff can be called. My message to the Foreign Secretary—and our only difference on this issue—is that when he does and says the right thing, which he very much did in August on Russia, he should keep doing and saying it, and not be so easily pushed off into an EU policy that now looks inconsistent and confused.

Mr. MacShane: Will the right hon. Gentleman give way?

Mr. Hague: I will, one last time, because I know that the right hon. Gentleman has a strong interest in the subject.

Mr. MacShane: I agree with much of what the right hon. Gentleman said. Handling Russia correctly is an enormous international problem, but there is another tiny, technical problem. As he knows, in the Council of Europe, Conservative MPs are in the same group as Mr. Putin's party, which, this time last year, pushed for an ex-KGB man to be made president of the Council of Europe. The Conservative party briefed in August that the right hon. Gentleman and the Leader of the Opposition would order those MPs to withdraw from that group. That has not yet happened; when will it happen?

Mr. Hague: One might regard that as a side issue, given the matters that I have just described. *[Interruption.]* No, and I want to put a point to the right hon. Gentleman on the issue. We have said that the arrangement cannot continue in its current form, although it is important that decisions on the issue are made in the Council of Europe, which, of course, is awaiting a report on the conflict in Georgia; it is due in January. I hope that the right hon. Gentleman will make the same point to his party, because on the Socialist group in the Council of Europe is Mr. Zhirinovsky's so-called Liberal Democratic party of Russia; it is nothing like as liberal or democratic as our Liberal Democrat colleagues in the Chamber. The Liberal Democratic party of Russia gives unequivocal support to the Putin Administration on a wide range of issues. Indeed, one member of the Liberal Democratic party delegation is the vice-president of the Socialist group, on which the Labour party sits. The right hon. Gentleman has asked us questions on the issue a couple of times, but I am sure that he will pursue the matter with the same vigour with his party's leaders. I look forward to him questioning the Foreign Secretary about that in future.

I really must bring my remarks to an end. There is much to be welcomed in the other steps that the EU has taken on Georgia—the humanitarian aid, the EU's participation in the donors' conference, the deployment of the monitoring mission, and the measures that the European Commission proposed in the eastern partnership, which we strongly support; we look forward to its launch under the Czech presidency. It is absolutely right for the EU to intend to extend its ties with not only Georgia and Ukraine, but Armenia, Azerbaijan, Moldova and Belarus. Of course, extending ties with the last of those countries is conditional on continued improvements in human rights and the rule of law there. However, I want to register our disappointment—a disappointment that I hope is shared by the Government—at the fact that the Commission's communication contained no explicit acceptance of any of those countries' European aspirations. It would have been a better communication if it had included that.

The Georgian crisis was a further pressing reminder that European countries have serious energy security issues to deal with. Energy security and liberalisation are linked. The more diverse the sources of supply in the European Union, and the freer the flow of energy between member states, the harder it is to disrupt any one country's energy supply. We welcome the recent European Commission proposal on the subject. We hope, too, that the Government will drive forward the earlier Lisbon reforms—an issue already raised in this debate—and help to drive forward many aspects of the single market that continue to need attention.

We hope that the Government will fight against excessive regulation from Europe, which is why we cannot understand why Labour MEPs are rebelling against their Government in trying to abolish the opt-out from the working time directive, a piece of legislation that should never have been in the EU's competence in the first place. Ending the opt-out would have a devastating effect on businesses trying to ride the recession, and particularly on the national health service.

The Foreign Secretary rightly mentioned climate change; European countries can be proud that they have taken a lead on the issue, but now is not the time to fall back. We must continue to lead by example. At this week's summit, we urge the French presidency to bring about an agreement to the package that does not compromise its effectiveness. These issues—the single market, energy liberalisation and climate change—are Europe's proper priorities, and they should be at the centre of the Heads of Government meeting on Thursday, rather than the issue of how to force the rejected and unpopular Lisbon treaty down the throats of the Irish people.

On climate change, energy and the single market, the EU has all the powers that it needs to help the peoples of Europe work together to succeed. One of the Government's greatest failures of leadership is that time and again they have let those obsessed with deeper political integration set the agenda, which is a dangerous and undemocratic distraction from so many concrete issues where the EU can make a positive and real difference to people's lives.

5 pm

Mike Gapes (Ilford, South) (Lab/Co-op): I want to concentrate on just three areas, beginning with the future of the Lisbon treaty. The Irish Government will no doubt introduce their own proposals in the next few days, and it is important that the UK continues to recognise that they will need to find a way to deal with that problem in their own time. That will certainly mean that, next year, it will not be not possible for the changes envisaged in the Lisbon treaty to come into effect in accordance with the original timetable, which raises questions about what will happen with regard to the future of the Commission, about the number of Commissioners, and about the size of the European Parliament.

If elections for the European Parliament are to go ahead next June, they will do so on the basis set out in the previous treaty—the Nice treaty—and not as envisaged in the Lisbon treaty. That is important, because a different number of Members are involved. There is the question, too, about the fact that the existing Nice treaty says that we should move to a situation in which the number of Commissioners is lower than the total number of states. That could give rise to a complex position on the relationship between the size of the Parliament and the size of the Commission. I hope that when the Minister for Europe responds to the debate, she will clarify the Government's attitude to those questions, because either some fancy footwork is needed or we will have to adopt procedures to reconcile the issues if the decision in Ireland is not to be made, as seems quite likely, before next June.

The second issue I should like to highlight—and I touched on this in an intervention on the Foreign Secretary—is related not just to Kosovo but to the

future of the relationship between the European Union and the western Balkans as a whole. Today, one of the countries emerging from the former Yugoslavia is already within the European Union. A second country, Croatia, is in train to join the EU quite soon. A third country, Macedonia or, to use the term that appears in the documents, the former Yugoslav Republic of Macedonia—

Daniel Kawczynski: That is semantic.

Mike Gapes: It is, but it is politically important. The reality is that there is no way, unless the issue of the name is resolved and unless there is flexibility or agreement between Greece and Macedonia, that that EU membership will happen. That is a fundamental difficulty.

Alongside the questions of Croatia and Macedonia, there is the question of what will happen to Serbia, on which outstanding issues relate to what is happening in Kosovo, including the unresolved question that only 52 countries recognise its independence and that five EU states to date still do not do so. We are therefore in difficulties regarding the Serbian application to join the EU. In addition, we must look at the other countries that emerged from that region. I do not want to go through each of them in turn, but there is an important associated question to consider. Albania was not part of the former Yugoslavia, but it has its own history, and there are difficulties arising from its internal political turmoil.

There will be a general election in Albania in the near future. I hope that the Albanians resolve their current internal difficulties and that the election is free, fair and subject to international standards, so that all countries in Europe can say that Albania is continuing to make good progress towards its aspiration of joining the EU. I hope that that is the case, but there are some controversial issues about electoral systems and related matters, which have led to some Albanian Members of Parliament going on hunger strike. We do not do it that way in this country—we just get involved in arguments that look a little bit facetious to the rest of the world—but perhaps the day will come when Members of Parliament in this country go on hunger strike.

Daniel Kawczynski: The hon. Gentleman is Chairman of the Foreign Affairs Committee, so does he agree that Greece should not be able to veto Macedonia's joining the EU unless the issue of the name is resolved?

Mike Gapes: Unfortunately for the hon. Gentleman and all of us who want to see simple solutions to such matters, EU enlargement cannot take place without the agreement of all member states, which is how it has always been. Regardless of how unreasonably or intransigently a country takes a particular view in blocking the membership of another country, that membership will not happen. Similarly, if one EU member state were to decide to block Turkey's membership for ever, Turkey's membership would not happen. That is the reality. The hon. Gentleman is younger than me, so perhaps he was not born at the time, but he knows that General de Gaulle—there is a cartoon about this in Portcullis House—vetoed British membership in the 1960s, so there is a precedent.

Mr. Hendrick: I thank my hon. Friend for giving way—the shadow Foreign Secretary was reluctant to take my intervention, so I will make my point in a roundabout way. The Opposition say that they want to see enlargement with the likes of Serbia and Bosnia entering the EU, but whenever enlargement takes place, they call for a referendum and tell people that they would vote against the proposal. Does my hon. Friend think that position is slightly contradictory?

Mike Gapes: I do not want to explain the contradictions in the Conservative party, because it has enough problems in explaining them itself. It is vital that we enlarge the EU to include all the states in the western Balkans. We do not want to be in a position in which, by one means or another, Slovenia and Croatia are in and the other countries are out.

Reference has been made—I will therefore not go into the detail—to the current difficulties in Bosnia and Herzegovina. The solution to the difficulties there and in the whole of the former Yugoslavia lies in having the whole of that economic and political area within a common legal framework and a common means of trade and of free movement of people within the European Union.

Mr. Wilshire: I want to see whether I can cheer up the hon. Gentleman about Albania, about which he has rightly made some valid points. As he knows, the little-remembered organisation, the Council of Europe, also has a role. It laid down clear conditions about Albania's democracy, human rights and the rule of law, and the Albanians are conscious that they have not met those requirements yet. I am one of the members of the Parliamentary Assembly of the Council of Europe which monitors what goes on in Albania. We recently visited Albania, where people are conscious of the ongoing shortcomings, accept that they must do something about them and are working out ways to do so as quickly as possible.

Mike Gapes: I am grateful for that intervention, which gives me the opportunity to say that I recently met the leader of the Albanian opposition, who was on a visit here, and engaged in constructive discussions. I am sure that many people in Albania, in government and in opposition, are working together to resolve the difficulties. We need to be aware that there are still difficulties, and the hon. Gentleman has rightly pointed out that the Council of Europe, other organisations and individual Governments will work to try to assist the remarkable progress that the Albanian people have made since the regime of Enver Hoxha. We need to think back; the difference between where the country was 20 years ago and where it is today is remarkable. Sometimes, we take the changes since 1989 for granted.

When the Berlin wall came down in 1989, I was in Warsaw at a Socialist International meeting. On 9 November that year, I was visiting President Jaruzelski and Prime Minister Mazowiecki. I remember that the only person who predicted that Germany would unify quickly was Rakowski, the communist leader, who said, "Mark my words—Germany will be united within a year." Everyone else said that there would be a confederation and that unification would take time, yet in 10 months Germany was united.

The remarkable changes of less than 20 years ago are coming to a culmination. Countries that came out of the breakdown of the cold war and the ending of the

[Mike Gapes]

bloc system—or the ending of national isolation, such as that of Albania—are coming into the democratic, pluralistic European Union. That is precious. We should work to make sure that it continues, because it provides political stability as well as economic prosperity to all the millions of people in central and eastern Europe.

Mr. David Burrowes (Enfield, Southgate) (Con): Does the hon. Gentleman agree that that dynamic in relation to accession to the European Union may operate for Turkey and for the problem, which has seemed intractable for decades, of the division of Cyprus? Negotiations for accession to the European Union may pave the way for a just and viable solution based on UN resolutions.

Mike Gapes: I do not want to get into the subject of the negotiations on Cyprus, which is in a strange position because it is already inside the European Union but has a divide within it. We need to recognise that there are now ongoing negotiations, brokered by Alexander Downer, the former Australian Foreign Minister. In the past, the European Union played a role and Lord David Hannay, former ambassador to the United Nations, was involved in the previous negotiations—the abortive Annan plan. There is clearly now some prospect of a breakthrough, but considerable issues of detail still need to be resolved. We need to give the necessary support, and we hope that a resolution of the Cyprus problem in the next year or two will facilitate the continuation of the aspiration for Turkish membership of the European Union. There are also other issues in respect of Turkish membership, and they need to be looked at.

I turn to one final issue before I conclude: European Union expectations, and how we respond to them, in respect of the changes that have happened and will happen in the United States. President-elect Obama has been elected and there is growing recognition—all the commentators are talking about it—that in the next 20 or 30 years, the US focus will inevitably shift much more towards Asia and the Pacific. Europe will be expected to make a bigger contribution to resolving some of the issues on our periphery and in our neighbourhood.

That will place demands on us, and rather than opposing the European security and defence policy, we should be working hard to strengthen it. We will need much better co-ordination—not just having naval operations intercepting pirates off the coast of Somalia, as was mentioned, not just trying to save lives in Africa, and not just doing the good work done by European Union forces in the Lebanon conflict or in the other conflicts in the region. In time, there will be greater demands on EU countries to make a more serious contribution in other areas. That will place big demands, particularly at a time of economic crisis, on the budgets and commitments of some European Union states.

Mr. Nigel Evans (Ribble Valley) (Con): What the hon. Gentleman says is absolutely true. There will be a greater onus on European Union countries to deliver more in the realm of defence. Does he agree that other EU countries should be looking to their own defence budgets given that, as he knows, we provide a high percentage of our gross domestic product for defence, outshining several of our EU colleagues? Does he further agree that when other countries are asked to provide troops to EU missions, they should do so unconditionally and not impose conditions so that their troops do not come into any danger?

Mike Gapes: I completely agree with everything that the hon. Gentleman says. Perhaps that is a topic for tomorrow's debate rather than today's.

Five years ago, the European Union developed the European security strategy, to which the Foreign Secretary briefly referred. That is being revised and updated, and High Representative Solana has been asked to produce the new version that will be considered for adoption this week. I hope that we can recognise that the EU faces different challenges in 2008 from those that it faced in 2003, but that some of those challenges are enduring and will continue. It is important that we not only focus on the immediate, but recognise that we need a strategic view about how we as Europeans can work, as we have over the past 50 years, to maintain peace, stability and prosperity in our continent.

Sometimes, hearing the debates in this country and reading some of our newspapers, one would think that the argument is entirely about a small percentage point of spending on the common agricultural policy or rebates, but some of the issues are much more important than that. I hope that we can lift up our eyes and look at the big picture—to coin a phrase that was used by a former Prime Minister—and think about where we, as Europeans, wish to be in making our contribution to the security and prosperity of the whole world during the rest of this century.

5.17 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): The right hon. Member for Richmond, Yorks (Mr. Hague) began his remarks by reminding the House that, in the past six months, the world has changed in dramatic and serious ways. He rightly talked about the changes in the economy and the changes in the security debate, particularly after the crisis in South Ossetia. He could have added the election of President-elect Barack Obama, which significantly changes the nature of the world's debate on foreign policy. Those three big forces—the economy, the security debate and President-elect Obama—push the case for greater co-operation within Europe and a strengthened European Union. The speeches of President-elect Obama show that he is absolutely clear that a strong, well co-ordinated Europe is in the interests of the United States and is what it wants to see, particularly as regards security and defence policy. The process of economic co-ordination whereby European nations can work together is incredibly important.

It is only through the European Union that Britain can exercise genuine influence as strongly as possible. I have to tell the right hon. Member for Richmond, Yorks that his party's position on many of these issues, including the Lisbon treaty, puts it in great difficulty in meeting the challenges ahead. When the Conservatives leave the European People's party, presumably later this year, their ability to influence the debate in Europe and engage with—*[Interruption.]* I am told that it will be next year, but it is clearly coming; I am glad that the Conservatives have confirmed that that is their intention. When that happens, their ability to influence the debate in Europe, and thus the debate in Washington, will be

significantly reduced. The Conservatives must sort that out because if they do not, their position as a putative Government will be reduced.

The summit later this week will focus, quite rightly, on the financial and economic crisis; the question is how well the EU is doing now, and how well it will do in future, in responding to this urgent crisis. One thing is absolutely clear: we are much better placed than in previous serious downturns because of the single market. Indeed, we are much better placed than we were in the 1930s—parallel economic times to the ones in which we are living. If we did not have the single market, the calls for protectionism and trade barriers across Europe would be loud and potentially devastating. It is fantastic that we have that single market.

There is no room for complacency, of course. When one listens to some of the remarks of Prime Minister Berlusconi, for example, one worries slightly about the commitment of some of Europe's leaders. Nevertheless, the fact that the European Union is there and has tight rules prevents people such as the Italian Prime Minister from undermining the importance of open and free markets, which will be critical if we are to escape from the current economic downturn. I was pleased to see in the Foreign Secretary's statement on Monday, ahead of his meeting, that the Doha round will be re-engaged later this month. That is absolutely critical and backs up the importance of the single market.

That vital background notwithstanding, I do not think that Europe has necessarily covered itself in glory in the past few months. It had a shaky start once the banking collapses were well known. There was a summit on 4 October in Paris, where Germany gave certain commitments that it reneged on a few days later. It was a pretty shaky start, but I am pleased to say that since then there has been a lot more agreement, and that the EU has worked pretty impressively. Through the EU's proposals on the stimulus package a few weeks ago and at a number of subsequent meetings, the EU has co-ordinated its policy ideas far more effectively than it could otherwise have done. Arguably, it has done that better than the United States, which is quite remarkable.

There is no single treasury in the EU, and nor should there be—and nor will there be one before colleagues on the Conservative Benches start raising ghosts—but what the EU has done in the last two months has shown how well policy can be co-ordinated. The theory of international policy co-ordination makes absolutely clear the importance of co-ordinated fiscal policy boosts in this sort of economic climate. The multiplier effects are much greater. The Prime Minister was quite right to say that if Britain and France have fiscal stimuli and other countries do not, there is a danger that the benefits to Britain of our fiscal stimulus will be reduced because some of it will leak into extra imports. That is why the Government are right to put pressure on the Germans, the Irish and those in other member states and to argue that they should join in the policy co-ordination on fiscal stimulus. We will all benefit if they do so.

Mr. Hendrick: I totally agree with the hon. Gentleman. I would venture to suggest that there are two reasons for the United States being in more difficulty than the European Union. First, the degree to which the state must get involved in order to provide a stimulus is anathema to the current US Administration, and, secondly, it has a lame duck President. Everyone is wondering what President-elect Obama would do in such circumstances. Although I agree that the EU has handled the situation much better than the United States, I have described the probable reasons for that.

Mr. Davey: I think that that was supposed to be a helpful intervention, but we know what President-elect Obama wants to do. He wants to do the sort of things that Britain, France and the European Union are doing. He has said that clearly on the record.

There has been some debate in the press, and earlier in our proceedings, about the position of the Germans on the fiscal stimulus. The Foreign Secretary read out figures referring to 1 per cent. of GDP and so on. Yesterday, I was privileged to be able to speak to some German parliamentarians who gave me the true facts behind the German stimulus package and told me how they thought things were working in the Bundestag. The €50 billion stimulus package that has been put forward contained many measures that they were going to introduce any way, so it really does not amount to 1 per cent. of GDP. It was fair for the Foreign Secretary to read out those figures, but they do not quite stand up to the analysis he provided.

However, Chancellor Merkel is having a few problems, and it is clear that she might be changing her mind as the hours tick by. She has called a crisis meeting with the German equivalent of the CBI on Sunday, and as German output is plummeting, the cries that action be taken by the German Government are getting louder. I hope that by Thursday or Friday, Chancellor Merkel might have moved on a bit and that our Government will therefore keep the pressure on. The problem is that she is slightly trapped—as is the Finance Minister who is her Social Democrat partner—by probably the only political pledge that they gave in order to have a balanced budget. Electoral problems—internal domestic German politics, not economic rationale—are actually preventing the Germans from going for the stimulus. Let us be absolutely clear about that. We have got to persuade both the Chancellor and her colleague that it is in their political interest, and in Germany's interest, to join in with this stimulus. If that can be done, it will be far more effective.

The other issue relating to the economic crisis in Europe is the position of the euro, and the right hon. Member for Richmond, Yorks had some fun on that point. There are different views on that, both in this House and across Europe. Many of the smaller European countries have looked at Iceland and Denmark and said, "We're really delighted that we are in the euro." Talks with the bigger countries have also revealed that they are pleased because the euro has meant that there have not been big depreciations in the weaker economies, which would have caused problems for the German economy and the other big economies, and made their recovery much more difficult. There is a strong argument to suggest that the euro has been a good thing for those who are already in it.

The next few months and years will be a testing and interesting time because we will see whether the euro is as strong as those of us who agree with it believe it to be. There is no doubt that the test for the euro was always going to be the first major recession—and this will, I fear, be the recession of all recessions. If the euro can

[Mr. Davey]

withstand a recession, it will show that an optimal, single currency area in Europe is completely sustainable. The pressures that exist have already been shown by what has happened in the bond market and the fact that the different yields on bonds between Germany and some of the other weaker economies have been increasing in recent weeks, particularly in Italy, Spain and Greece, which is not surprising given the problem of their debts. However, no one is talking about those countries being forced to leave the single currency, and that is a fascinating and significant fact. Who knows whether that will still be the case in a year's time, but if the euro does survive with all the current member states intact, that will—

Mr. Cash: Will the hon. Gentleman give way?

Mr. Davey: In a second. I was waiting for the hon. Gentleman to intervene and if he lets me finish this sentence, I will bring him in. If the euro does survive this period, that will make a strong case for it, and some of the people who have been opposed to Europe will have great difficulty knocking that down.

Mr. Cash: Has it occurred to the hon. Gentleman that, over a fairly extended period, there has been a failure of the Lisbon agenda, the total failure of the stability and growth pact, higher and higher increases in employment—including in Germany, France and Spain—and massive over-regulation? The real problem that that encapsulates is not the possibility that the euro might somehow prove to be successful, but that the people in Europe will become increasingly concerned that it will implode and with it the democracy on which the whole of the European Union, through its individual member states, ultimately depends.

Mr. Davey: The hon. Gentleman did rise to the bait slightly in that intervention, and his analysis of economic matters was rather partial. I hope that he does not really want the euro to implode—well, he probably does want that to happen—because it would not be in the interest of European countries or Britain if it does. What I have been reading, both from politicians and in the opinion polls, suggests quite the reverse of what the hon. Gentleman said. People in the eurozone are drawing quite a different conclusion from him and saying, "Thank God we've got the euro."

Mr. Hugo Swire (East Devon) (Con): Is the logical conclusion of the hon. Gentleman's argument that during this extremely fragile economic time we should consider joining the euro? If so, what terms does he think the UK might secure?

Mr. Davey: Let me explain for the hon. Gentleman that we do not think that Britain should join the euro in the near term. There was some inaccurate reporting—just for a change—of the Liberal Democrat position, but it has been our position for more than one Parliament that UK entry into the euro could not happen in the space of a few years. The situation would have to converge and develop over a period of time.

It will be particularly interesting to see whether this downturn changes some of the British economy's underlying characteristics, however, which might make it easier to join, particularly with respect to monetary markets and how they operate. These are interesting times. There are a lot of questions to which none of us in the House yet knows the answer. I am looking forward to having this debate in a year or two's time, when the dust has settled and when I happen to believe that the evidence will be on our side.

Mr. Swire: Does the hon. Gentleman believe that it is not entirely impossible that some existing members of the euro will not be members in two or three years' time?

Mr. Davey: I have already said that that is of course a possibility, but I do not think that it is going to happen, given the evidence that we have seen so far. However, I readily accept that these are early days.

Mr. Evans: The Government's policy is to have a referendum of the British people on the euro before we would accede to it, but they have a history of reneging on referendums. Is the Liberal Democrat policy that the people should be consulted before Britain would accede to the euro?

Mr. Davey: Yes.

The other major issue at the summit is climate change, which has been a critical policy priority for the French presidency. Getting a deal on climate change is critical. I rather regret that the right hon. Member for Richmond, Yorks devoted only a tiny portion of his 40-minute speech to that critical issue, because in many ways the decision that will be taken this week is potentially historic. What concerns Liberal Democrats here and in Brussels is the backsliding that we have seen both from the Germans and from Poland and other countries in central and eastern Europe. We urge the Government to stand absolutely firm on the agreements that member states made only last year.

There is an historic opportunity at stake. We now have a President-elect in the United States who was elected on a ticket to take real measures to tackle climate change. Opinion in China has changed dramatically in recent years. The Chinese Government are talking about moving on climate change. It would be deeply ironic and quite disastrous if the European Union, having been the proponent of major measures, suddenly relaxed its pressure on the rest of the world on climate change. We have the discussions in Poznan—we do not quite know how they will conclude—but crucially, we have the Copenhagen summit this time next year, too. Therefore, we have to show leadership on climate change in the European Union.

As both the Prime Minister and we on the Liberal Democrat Benches have argued, the current economic circumstances present us with a massive opportunity. We should be investing in new technologies and trying to develop more green-collar jobs as a result of our current situation. The Foreign Secretary was quite right to call for a low-carbon economy as the vision for dealing with both the economic crisis and the climate change challenge.

The Foreign Secretary said a little about the parameters of a potential deal. He talked about demonstration carbon capture and storage sites, which may be allowed to be developed and paid for in Poland and elsewhere. I hope that the Minister for Europe can say a little more in her winding-up speech about the Government's thinking, without necessarily showing their hand too much, on

where the compromise might be. It seems to us that we should be helping Poland and other countries that are so dependant on coal to restructure their energy generating industries. That is a sensible thing to do—it is in our interests and their interests, too. The question is whether money can be found through the auction of the permits and some of what is earmarked for Poland and other countries in a similar position. That seems to be the way forward, as well the demo sites that the Foreign Secretary mentioned. I hope that the Minister for Europe will be able to say a bit more about that critical issue. With respect to Germany, Chancellor Merkel pushed hard for progress on climate change during the German presidency of the European Union, and we should not allow her, of all people, to lead the backsliding in respect of the number of sectors that will be covered by the regulations.

I deeply regret the fact that the right hon. Member for Richmond, Yorks did not cover this critical issue very much in his speech. The Conservatives' position on climate change and energy policy is looking rather shaky. They objected to those parts of the Lisbon treaty. One would have thought that, even if they agreed with no other parts of the treaty, they would at least have agreed with the parts relating to climate change and energy policy. This makes their position look not only inconsistent, but frankly bizarre. It also reflects their rather chequered record on these matters in the European Parliament. Their MEPs do not always support the more progressive environmental legislation. Only the other day, a Conservative MEP, Roger Helmer, who is actually on the climate change committee of the European Parliament, said that the climate change negotiations were

"the greatest collective flight from reality that we have ever seen".

If that is the position of Conservatives elected to the European Parliament, they clearly do not want to lead on this critical issue at European level. They would be in a disastrous position, should this country ever have the madness to elect them to government.

Mr. Cash *rose—*

Mr. Davey: I am delighted that the bait has been taken again.

Mr. Cash: Is the hon. Gentleman aware that the new President, Václav Klaus, has said something that was not greatly different from what the hon. Gentleman has just quoted Mr. Roger Helmer as saying?

Mr. Davey: There are one or two other people who share the views of Roger Helmer. Their position is about as isolated in the European debate as that of the Conservative party. It will interest the hon. Gentleman to know that the summit on Thursday and Friday will deal with the Lisbon treaty. As we can see—or cannot see—from the draft conclusions, it is not clear what is going to be discussed. It is not clear whether ground will be given on the issue of the Commissioner, or how the summit will deal with the other concerns of the Irish people that were clearly evident in the referendum, whether on abortion, corporation tax or Ireland's position on neutrality, or deal with other issues that have emerged in the debate. The Foreign Secretary was absolutely right, however, to say that we should leave it to the Irish Government to explain to us and to our European partners the way forward that they wish to take—

Mr. Cash: What about the people?

Mr. Davey: The hon. Gentleman may say that, but we all know that the only way in which the Irish could ratify the Lisbon treaty is by putting the question to the Irish people once again. It will ultimately be up to the Irish people to decide whether the Lisbon treaty is ratified.

Mr. Burrowes: Will the hon. Gentleman explain the inconsistency of the Liberal Democrats' willingness to give the people a chance to express their opinion on the euro but not on the Lisbon treaty?

Mr. Davey: I would be more than happy to do that—*[Interruption.]* We have discussed this many times in these debates—*[Interruption.]*

Madam Deputy Speaker: Order.

Mr. Davey: I refer the hon. Gentleman to my many answers to his colleagues over the years.

The truth is that the Tories desperately want this issue to be resolved. They want it to go away. If the Irish situation is not sorted out, and if the Lisbon treaty is neither ratified nor confined and buried, the Conservatives would have to put the issue to the people, if they were to be elected—that is a very big "if", of course—because that is their policy. If the outcome were a no vote, it would be interesting to see what the following four years of Conservative foreign policy would consist of. It would be an absolute disaster. They would have no influence in Europe, and no influence in Washington. They would have even less influence than they have now. That is the unspoken dilemma on the Conservative Front Bench. They are wishing for something that is not their policy.

Daniel Kawczynski: The hon. Gentleman is being extraordinarily disparaging to the British people by saying that their decision in a referendum would somehow make our foreign policy inconsistent and impossible within the EU. Surely if the British people had a vote, it would give any Government of this country a huge mandate to renegotiate our position within that framework.

Mr. Davey: I think that the hon. Gentleman knows that if there were a referendum, I would argue for a yes vote, so his conclusions are bizarre.

Let me move on to discuss some of the external relations issues that will be debated at the forthcoming summit. The right hon. Member for Richmond, Yorks rightly talked about Zimbabwe, and I agree with many of his remarks. We welcome the tighter EU sanctions announced earlier this week. I share the Foreign Secretary's concern that Russia and China might still be a block for a future resolution at the UN Security Council. I understand that Britain is keen to go to the Security Council to seek another resolution. That has certainly appeared in the press, although I see the Foreign Secretary shaking his head, so perhaps the Minister for Europe will clarify the matter later.

I hope that Britain and France would not be the only countries arguing for another UN resolution to get better international action on Zimbabwe. We should ask the EU High Representative to join us at the table

[Mr. Davey]

to argue in favour of such a resolution, and particularly for a referral of Mugabe and a number of those in the ZANU-PF leadership to the International Criminal Court if they failed to leave office within a stated period. We must use the law as a mechanism to force Mugabe out, perhaps by telling Mugabe and his henchmen, "If you do not leave power in the next three to six months, we will harry you for the rest of your lives with a warrant to arrest and prosecute you." We all know that we cannot do that without a UN Security Council resolution, because Zimbabwe is not a signatory to the ICC treaty. It is important for us to try to persuade Russia and China to go down the legal route of trying to remove Mugabe.

I want to reiterate a point that I made earlier when I intervened on the right hon. Member for Richmond, Yorks—a point about the importance of giving the right to work to Zimbabwean asylum seekers. I believe it is absolutely scandalous that British politicians stand up, wring their hands about how dreadful Mugabe is and say that we are relatively powerless if South Africa and others do not act, when they themselves refuse to act for those Zimbabweans who are here and whom we know we can help today and tomorrow and until they are able to return home. Liberal Democrat Members will thus challenge both Government and Conservative Members on how serious they really are about helping Zimbabwe in the future; if they are not prepared to help even the Zimbabweans who are living here, their words are, frankly, meaningless.

Another issue that I hope the summit will deal with is whether the EU should send forces to the Democratic Republic of the Congo. We have debated the matter in exchanges during Foreign and Commonwealth questions. On the last such occasion, the Foreign Secretary effectively told me, "No, that is not the right thing to do; we need a single command structure under MONUC—the United Nations mission in the Democratic Republic of the Congo." I was told that I was completely wrong and that the Belgians and Dutch supported his idea.

I am afraid that the Foreign Secretary is wrong. We could have an EU force in the DRC with a separate command structure that relates to MONUC, as we did in 2003 under Operation Artemis—that is perfectly feasible and he knows it. Furthermore, as I understand it, earlier this week, the Belgians, Dutch, Finns and Swedes were arguing in favour of an EU deployment. Not only that, but the UN Secretary-General, Ban Ki-moon was also asking the EU for such a deployment. The people who head the MONUC mission want EU troops now. It may be great news that the UN has sanctioned another 3,000 troops for MONUC, but we all know, despite the letters from the Prime Minister to a number of countries around the world, that those troops will take some time to arrive. Estimates vary from four to six months. During that period, the EU should send our troops to defend people in this really difficult time, as there could be a massive humanitarian crisis if we fail to act.

I call on the Government to change their mind on that. We have a chance on Thursday and Friday to change the position. If the Foreign Secretary made such a change, he would have our total support, and I hope we could then work with our EU colleagues on securing such a solution. I think that that would strengthen the work being done on a political solution for the east of Congo.

There are a number of other countries that I could rattle through, but we shall probably deal with them tomorrow. However, I want to touch on Russia, because it has formed part of the debate. I particularly want to discuss the invasion of Georgia and the South Ossetian crisis. I think that both Conservative Front Benchers and the Government got it wrong back in the summer, when they argued for early and accelerated NATO membership for Georgia and Ukraine in the immediate aftermath of the crisis.

There seems to be some shaking of heads, but there are quotations that I could bandy about. For example, the Foreign Secretary told *The Guardian* on 20 August that

"the formal process"

towards NATO membership

"kicked off yesterday with the establishment of a Nato-Georgia commission".

For the first time, he said, there was a process for membership. The implication of what both he and the leader of the Conservative party were saying was that they wanted to fast-track that process, which I believe would have been a disaster then and would be a disaster now. It sends all the wrong messages. That does not mean that we should allow Russia to have a veto; the issue is whether it makes sense for Ukraine and Georgia to join NATO now, and whether we should sign a treaty with them in the context of article 5 of the North Atlantic treaty. I believe that that would be completely absurd. I really do not understand the position of either the Government or the Conservatives: I think that that position is deeply reckless.

Mr. MacShane: I think that both the Government's position and—if I may speak for the Conservative Front Bench—the Conservative position are clear. It is the sovereign right of Georgia and Ukraine to decide their alliances. It is not for patronising, pro-Kremlin, wishy-washy liberals in London to say to the people of Georgia and Ukraine that they cannot join if they so choose and if they meet the criteria. Respect their sovereignty, and I will try to respect the intelligence of the Liberal Democrats.

Mr. Davey: I think that, as usual, the right hon. Gentleman has not only oversold his case but made himself look rather silly in doing so. He should know that this is not just a question of the Georgian and Ukrainian Governments joining NATO, but a question that arises for every single existing NATO member country. Strict criteria should govern which countries we give mutual defence guarantees for, and to be honest, given the rapidity with which NATO has expanded, I do not believe that some of those criteria have been applied as rigorously as they should have been in the past. It certainly does not look as though they were applied, in the heady days after the attack, by either the Foreign Secretary or the Conservative leader.

Let us bear in mind the significance of a mutual defence guarantee. It means that we would have to support our constituents' going to different parts of the world to put their lives on the line, and we should do that only if we believe that it is in the collective interests of this country, Europe and NATO. Sometimes I think

that people are prepared to spread these mutual defence guarantees around like confetti, without serious strategic analysis.

Mr. Wilshire: I am grateful for the opportunity to give the House a rare treat,—the right hon. Member for Rotherham (Mr. MacShane) and I agree with each other. The hon. Member for Kingston and Surbiton (Mr. Davey) has not given an answer to the right hon. Gentleman's entirely valid point that it is entirely up to the Ukrainians and the Georgians to apply for whatever they want to apply for. The answer that we have heard is that it is our right to say no, but would the hon. Gentleman care to answer this question? Is it their independent right, without interference by anyone else, to apply?

Mr. Davey: Of course it is. I do not see how whatever I have said contradicts that. Of course those countries have the right to apply, and we have the right to reject their application or tell them that they must do a number of things before they can be considered.

Let me move from the issue of Georgia and Ukraine to that of our whole relationship with Russia. Over the years, like the right hon. Member for Richmond, Yorks, we have agreed with the Government on many issues involving United Kingdom-Russia relations, but my analysis of recent events is slightly different from that of the Conservative party. I actually think that Russia is far weaker than many people recognise. I think that with the collapse in the oil price and their economy in tatters, the Russians are in no position to be the scary bear that some people like to depict them as. I think that this presents Britain and the European Union with a real opportunity to try to influence Russian opinion and that country's direction. I would go further: this is an historic opportunity. There have been two tendencies in Russian foreign policy over the centuries. One has sometimes been called the St. Petersburg tendency. It is a tendency to consider greater co-operation with European allies and to place Russia in the mainstream of Europe. Unfortunately, that tendency has often been overshadowed by what I call the mother Russia tendency. That is aggressive and unpleasant, and we need to stand up to it.

In diplomacy, given the historic opportunity we have with a weak Russia and a much stronger Europe, and with a new President of the United States who is progressive and rational, we should be talking to the Russians in the way that is proposed, to try to persuade them to see their historic destiny in mainstream Europe. That would change the whole dynamics of the security situation around the world.

This summit is particularly important because of the background of President-elect Obama and the impact of his relationship with our country and the EU. I am sure that this is already happening, but I hope that, certainly in some of the informal discussions, the Government will be pushing for the EU to engage actively and respond positively to some of the proposals coming from the new Obama team, whether in respect of Afghanistan and troop deployments, the European security and defence policy or burden sharing. Although it is not specifically on the agenda, I hope the Government will see this as a critical chance. We have to respond quickly to the new American Administration, both to influence them and to show them that we are interested if they want to take a more multilateral approach and engage with the EU.

This summit is critical in getting the economics right, and also in getting the climate change and security measures right. We look forward to holding the Government to account, to make sure they argue Britain's case and the case for Europe as strongly and effectively as possible.

Chris Grayling (Epsom and Ewell) (Con): On a point of order, Madam Deputy Speaker. As you will be aware, Mr. Speaker has on a number of occasions told Members how important it is that announcements are made to this House first, rather than outside it before Members are given an opportunity to hear the information in question. This afternoon, the Secretary of State for Work and Pensions issued an announcement to the media that he intends to make an oral statement to the House tomorrow. He has done so before he has made that statement to the House, and he has issued to the media an excerpt from it. May I ask you a couple of questions, Madam Deputy Speaker? First, what redress do Members have in a situation where another Member apparently blatantly disregards the interests of this House? Secondly, since the Secretary of State has already issued an excerpt of that statement to the media, do you, Madam Deputy Speaker, have power to require him to come before the House tonight to make a statement at the end of business, rather than leaving that until tomorrow, after we have read about it in the newspapers?

Madam Deputy Speaker: Order. I am sure all Members present are very well aware of the Speaker's ruling that he likes Ministers initially to make statements in the House. The hon. Gentleman's remarks are on the record and will have been heard. I will make sure that they are conveyed to Mr. Speaker so that he is aware of them.

5.53 pm

Ann Clwyd (Cynon Valley) (Lab): I want to talk mainly about Turkey this evening, because although I welcome Turkey's application to join the European Union and I hope that it is successful, there are certain conditions that must be met before it joins.

A few weeks ago, I was invited to give an address at the memorial service of a very notable Turkish politician who was the former Deputy Prime Minister of the country: Erdal Inonu. He was the son of a former President of Turkey, who followed Ataturk as the second President. I mention that because although it might appear from what I shall say today that I am only a critic of Turkey, I am in fact also a long-time friend of Turkey.

I chaired for three years the Inter-Parliamentary Union's committee on the human rights of parliamentarians. Before that, I served on the committee for a further three years. At almost each session of the IPU conferences—which took place twice a year—Turkey would appear before our committee as one of the countries that was oppressing its own elected politicians. We had a long-running battle with the Turks on the issue of Kurdish politicians, who were put in prison for little more than the kind of freedom of expression that

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all of us as elected politicians take for granted. Eventually, some of those politicians were released, only to be charged again on various counts.

A few days ago, one of those politicians, Leyla Zana—the name may be familiar to Members who follow Turkish human rights matters closely—was sentenced again to 10 years in prison by a Turkish court in Diyarbakir. The court ruled that she had violated the penal code and the anti-terror law in nine speeches, one of which was given here in the House of Commons.

Leyla Zana is accused of having supported, and spread propaganda in favour of, the PKK—the Kurdistan Workers Party. At a celebration in Diyarbakir, she stated that the PKK leader, Abdullah Ocalan, should be regarded as one of three Kurdish leaders. That is, I think, a perfectly acceptable point of view, even though Ocalan is rightly in jail for having been involved in many of the terrorist attacks that took place in Turkey. I am pleased to hear that he is now out of solitary confinement. Leyla Zana will, of course, appeal against the verdict.

I mentioned Mr Inonu because he was the first Turkish politician to bring Leyla Zana into his party and into Parliament. That was the first instance of Kurds, mainly from the south-east of Turkey, being elected as Kurds in the Parliament. That was in 1991. Her decision at that time to take the parliamentary oath in Kurdish led to immediate calls for her arrest. She actually took the oath in Kurdish and Turkish, which is not unlike what I did when I was first admitted to this House; I took the oath in English and Welsh, and there was no threat to arrest me after doing that.

That was the first time that Kurdish had been spoken in the Turkish Parliament. Leyla Zana was sentenced to 15 years in prison, but was released in 2004 due to international pressure. She has received a lot of international prizes. She was awarded an international prize in 1994 and the Sakharov prize the following year. Despite her personal sufferings and losses during the 10 years of imprisonment—her husband and her children have had to leave Turkey and are in another country—she has continued to speak on behalf of her own people. Since her release in 2004, she has done so on every possible occasion. One such occasion was a meeting in this House of Commons. I was not present, but I am told that it was where she made one of the nine speeches for which she has been convicted again.

What Leyla Zana asks for is recognition for the Kurdish language and Kurdish identity, and freedom of expression, in addition to political and cultural rights. She seeks a non-violent and democratic solution for the Kurds living within Turkey's borders.

A few months before, I had visited south-east Turkey for the first time in seven years. On the previous occasion, I had been there with the Select Committee on International Development, when we examined the support that the British Government were providing through export credit guarantees for the Ilisu dam in Turkey, which is a highly controversial development. The dam would result in the displacement of 80,000 people, mainly Kurds. They are told that they will receive compensation, but this plan has been around for a large number of years and nobody to whom I have spoken in south-east Turkey knows what the compensation will be. Organisations such as the World Bank, the United Nations and so on no longer give support for dam developments of this kind, which displace so many people. As a result of the International Development Committee's report, the then Secretary of State for Trade and Industry rightly decided to withdraw British support for export credit guarantees. Since then, several other countries have also withdrawn their support, the latest being Germany—I think that the only country providing support is Switzerland.

I had lunch with Leyla Zana, who is regarded as a terrorist. I first met her when she was serving her prison sentence in Ankara. The prison governor allowed me two and a half hours with her, during which we discussed her situation. She had been given a small patch of land to garden, but as any hon. Member who knows prisons in Turkey will be aware, that prison was not a pleasant place to be for 10 years. The prison governor himself said to me at the time, "She should not be here." It was obvious to everybody, except the Turkish Government, that she should not have been in prison.

After 10 years, due to international pressure, Leyla Zana was released. She still holds the same views; nothing has changed. A growing number of terrorist attacks are being carried out in south-east Turkey. The number of people who have been killed in that civil war so far is 30,000 to 45,000, including more than 20,000 Kurdish guerrillas, 5,000 Turkish soldiers and security force members and 5,000 civilians—of course, millions of people have been uprooted.

Those of us who understand the importance of culture and language really understand how the Kurds in south-east Turkey feel. I am not saying that this is the entire answer to the problem, but I believe that if the Turkish Government made more moves to meet the social and cultural needs of the Kurds in south-east Turkey, that would diffuse some of the support that many people in that region give the PKK. I spoke to a mayor of a town—I will not mention it or him by name, in case he lands up in jail—who told me that his brother was fighting in the mountains and that he was ready to send his son to fight in the mountains too. The strength of feeling had grown enormously in the six or seven years since I was last in the region.

I had various conversations with people in the Turkish Government, but the situation was difficult for Ankara—it still is—at the time I was there because the Government were focused on their own existence. They had been in trouble with the courts and there was a possibility that the Government of the ruling AK party would be dissolved. But, of course, Ankara has, for decades, denied the existence of more than 12 million ethnic Kurds and has forced them to hide their customs, language and very identity or face charges of treason. That discrimination against one fifth of the country's population was institutionalised in the 1920s, with the founding of the Turkish republic, which was committed to imposing a uniform national identity.

The persecution of the Kurds escalated dramatically in the 1980s, as the PKK gained strength. In 1991, at the height of that persecution, Leyla Zana became the first and only Kurdish woman elected to Turkey's Parliament since the foundation of the republic—I have already mentioned what she was then jailed for. She had taken the first steps on the path to Ankara central closed prison, which I can assure hon. Members is a pretty ghastly place.

As anybody who visits south-east Turkey will realise—I took our ambassador there; our ambassador was fairly new and had not been to the south-east before—to many Kurds, Leyla Zana is a modern-day Joan of Arc, a champion of human rights for her people. Her critics see her as a separatist puppet, ill-trained for a Government post and obsessed with challenging the official myth that no ethnicity except Turk exists in Turkey.

When Leyla Zana was 15, she married the former mayor of Diyarbakir, Mehdi Zana, and developed her political consciousness the hard way; he was jailed during the military rule in 1980 for the promotion of the Kurdish cause, and she and her children visited him in prison. She told a journalist:

"We were always met with brutal and inhuman pressure".

She said that the Turkish guards beat them. She said:

"They banned speaking in Kurdish. When we told them that we did not speak Turkish, they bluntly told us to look in each others' eyes, and that would suffice."

I do not know whether any hon. Members have seen Harold Pinter's "Mountain Language," but it is an exceptional play lasting only about an hour and half, and I saw it at the National Theatre. It involves only three people—a Kurdish mother, her son, who is in jail, and the jailer. The mother, who speaks Kurdish only, is unable to speak to her son throughout her visit to the jail, because Kurdish is prohibited and only Turkish is allowed. The play is stunning and once one has seen it, the message becomes clear.

From the time of those visits, Zana began to fight back. In 1984, when her children were old enough, she started school. In three years, she made progress very quickly and she then took a job with the newly established Human Rights Association in Diyarbakir. In the course of defending the rights of her imprisoned husband and other detainees, Zana herself fell victim to official brutality. She said:

"I was detained during a protest in front of Diyarbakir prison in 1988...For seven days I was interrogated under torture. I was forced to take off my clothes and was brutally beaten."

Zana subsequently ran for parliament and won a seat in 1991 on an SHP coalition ticket—the SHP is the sister party of the Labour party, it is a member of Socialist International and it was Inonu's party. After her open embrace of Kurdish rights before a national audience, an outraged military—one should never forget how strong the military are in Turkey—applied pressure to the SHP. She and the other SHP deputies were forced out of the party and founded the Democracy party.

Zana kept her seat for three years while the Ankara state security court's public prosecutor pushed the National Assembly to lift parliamentary immunity from prosecution for the Democracy party deputies. In March 1994, Parliament accepted the charge that Democracy party members were affiliated with the PKK and lifted their immunity. Authorities interrogated Zana for two weeks and charged her with affiliation to the PKK. Before the year was out, the Ankara state security court convicted Zana and the three other former Democracy party deputies that I mentioned—Hatip Dicle, Selim Sadak and Orhan Dogan—of membership of an armed gang, and sentenced each to 15 years imprisonment. The then Prime Minister, Tancu Çiller, justified the incident as the PKK's dismissal from Parliament. The Democracy party was outlawed, and other former MPs went into exile in Belgium.

Zana spent 10 years of her young life in prison, and has now been convicted for another 10 years. She spent her time in prison reading, studying, writing letters to supporters and tending to her little garden. She hardly ever sees her children, because they now live in another country. I met her daughter and asked her whether she wanted to go into politics like her mother. She shook her head violently and said, "No, I want to be an IT consultant."

In the south-east of Turkey, everybody talks about Leyla Zana. She has become a role model and a source of pride for Kurdish women. She is often credited with improving their position in the patriarchal Kurdish society. After her example, Kurdish women feel more encouraged to break with the old traditions of obeying their men and devoting their lives to housekeeping. It must be said that those traditions do pervade Kurdish culture. The most interesting point about studies of Kurdish nationalism, especially in the Ottoman empire, is that they are only about men and do not mention women at all. Under the weight of its historical traditions, Kurdish society has very paternal characteristics. It is highly probable that a foreigner browsing through those studies would gain the impression that Kurdish society is composed only of men. It is as though no Kurdish woman lived between the legendary warrior, Black Fatma, who fought in the Crimean war in the 1850s and Leyla Zana herself.

Zana has paid a high price for her place in history. Although she suffers from a blood circulation disorder—during her first period in prison she required frequent visits to the prison clinic—she told her lawyer to play down her ill-health. Whenever we met the Turkish delegations at the IPU human rights commission, they would tell me that Leyla Zana had been offered the option of leaving prison early on grounds of ill-health, but she refused it. She wanted to win her freedom on the justice of her cause.

Globally, several human rights organisations have raised the profile of all the MPs. Amnesty International named Leyla as a special focus case and members of the US Congress and of several European Parliaments nominated her for the Nobel peace prize. As I said, she won the Sakharov prize.

Turkey's internal political climate has changed significantly as fears of militant Kurdish separatism diminished after Ocalan was arrested and sentenced to life imprisonment. Turkey also wants to join the European Union. However, from the evidence of my visits to the south-east of Turkey over the past six years, that desire has somewhat diminished. The Turks are a proud people and they feel that they are being snubbed by the international community. Nevertheless, they have had to make changes in many of their laws to attempt to comply with European Union membership.

On paper, the reforms have been encouraging. The ban on broadcasting in Kurdish was lifted, with certain qualifications, in 2001 and 2002. Other legal changes allow for the teaching of languages, including Kurdish, but the authorities have yet to approve any courses in Kurdish. Despite recent reforms, the Turkish authorities still appear to view the legitimate requests of Kurdish citizens for linguistic and cultural rights as a danger to Turkish territorial integrity. Of course, people such as

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Leyla Zana continue to pay the price. She still advocates co-operation and fraternity between all of Turkey's people. She has said:

"Peace, once attained, will bring women, Kurds—and Turks as well—innumerable opportunities for developing their human capacities."

She has lived that lesson.

People living in the south-east of Turkey still have enormous problems. The mayor of Diyarbakir told me that freedom of speech was slipping away in the region, and people were not allowed to use the Kurdish language in many official situations, so a lot of resentment was building up. That fuelled support for the PKK and harmed relations with neighbouring countries, such as Iraq. When I met the deputy chair of the parliamentary foreign affairs committee, he said that he understood that to defeat the PKK, the Government had to address the grievances of the Kurds in the south-east. Military means alone would not be successful. That is the clear message. If the Turks really want to solve the problems of south-east Turkey, people cannot be prosecuted for using the letter "w" in an official invitation written in both Kurdish and Turkish because it is not part of the Turkish alphabet. People should not be arrested for singing Kurdish songs or using their own language in official situations. All the groups I talked to in the south-east were strongly opposed to the building of the Ilisu dam, which was the subject of little or no consultation.

Last week, the European Council, in its report on accession, discussed enlargement and mentioned Turkey in particular. It said:

"The Council is disappointed to note that over the year just passed Turkey has made only limited progress, particularly as regards political reforms".

Substantial efforts to ensure that Turkey meets the Copenhagen criteria must be made in several fields, such as continued judicial reform; establishing an anti-corruption strategy; effective protection of citizens' rights; full implementation of a policy of zero tolerance of torture and ill-treatment; ensuring freedom of expression and religion in law and in practice for all religious communities; respect for property rights; respect for and protection of minorities; strengthening of cultural rights, women's rights, children's rights and trade union rights; and the civilian authority's control of the military.

As regards the south-east of Turkey, the Council takes note of the Turkish Government's decision to complete the south-eastern Anatolia project—the GAP—and emphasises the need to implement measures to ensure economic, social and cultural development. The Council, like us all, condemns all terrorist attacks and violence in Turkish territory in the strongest terms possible and expresses its full solidarity with the people of Turkey. The EU reiterates that it absolutely supports Turkey in its fight against terrorism, which must be conducted with due regard for human rights, fundamental freedoms and international law while preserving regional peace and security.

The European Parliament has also written a draft report on the Council's report as it affects Turkey. It contains a series of points about human rights as well as about the need for respect for and the protection of minorities. It is only a draft report, but it will be coming before the European Parliament shortly.

I strongly support Turkish membership of the EU. It would be good for Turkey and for the rest of the EU, too. However, it must meet some provisions. There must be faster movement on reform. There must be respect for the cultural and linguistic rights of Kurds—I can hardly describe the Kurds in Turkey as a minority, since they make up 12 million of the population. It is incumbent on us all to keep putting pressure on the Turkish Government to meet the criteria that the EU would wish Turkey to meet if it is to join.

I have great affection for Turkey and its people. Since they were ruled by the military, which was not all that long ago, the IPU has been quite patient with Turkey. We have congratulated them when there has been progress and we have given them a sharp kick when we think that they could be making greater progress in certain areas.

Finally, on Leyla Zana, the IPU sent people to her first trial. They said that she had a totally unfair trial and that her defence counsel was not given the proper opportunity to put the case on her behalf. When she was sentenced, there was an appeal. The same judge who made the judgment in the first case started the case off by saying, "I was the judge at her first trial, and I am not going to change my mind." Whatever new arguments there were, he had already made it clear that he would not change his mind.

If Leyla Zana comes before a court again, I shall be very concerned. As things are in Turkey, she will not get a fair trial. When she was sentenced last week, her defence counsel was not there. He had been told that the trial would start later in the day, and was then phoned about 10 minutes before the trial started to be told that it was starting. He asked for a bit more time, and I think that he was given 10 minutes. When they went back to the court, the trial had already taken place. Leyla Zana's defence counsel, once again, was unable to put the argument on her behalf. I have deep concerns about that case, and I hope that we will all lobby on behalf of all those who should be getting proper human rights in Turkey and who are not.

6.24 pm

Mr. David Wilshire (Spelthorne) (Con): May I start with a provisional apology to you, Mr. Deputy Speaker, and to the House? I have an important engagement during the course of the evening. If the debate runs its course I shall, of course, be back in the Chamber for the end, but should it finish early I might have difficulty in doing so. I apologise if that turns out to be the case.

My hon. Friends on the Front Bench can relax. I do not intend on this occasion to treat the House to my views on the European Union, although some will be disappointed to hear that. I have long since learned that it is sensible to have only one rebellion at a time, and my current rebellion focuses on Heathrow airport. I shall settle for that rebellion for the time being, although there may be another occasion at some stage in the future when I can come back to the European Union.

Tonight, I want to confine my remarks to the subject of last year's war between two European nations. I have become very involved in the fall-out of that war. For my sins, if that is the right phrase, I am one of the five political group leaders in the Council of Europe, and

that has taken me and my colleagues to Tbilisi twice, to South Ossetia once, to the buffer zone when the Russians were still there, to Gori, to Moscow—I have been once and I am going again—and to the United Nations in New York. The subject is clearly much on my mind.

Although the subject might not immediately appear to be so, it is of some relevance to the summit that will take place at the end of this week. The European Union, commendably and quite rightly, has civilian monitors in Georgia. Most of us would wish that they were in South Ossetia, too, but I shall come back to that. The monitors are doing the best they can and they are at risk because the violence is resuming. We need to take that risk seriously.

The dispute is far from settled, and if it were to become violent again the consequences for every member state in the European Union could easily become catastrophic. We got off lightly last time, and I do not think that we can assume that we might again. As Georgia wants to join the European Union, we have to discuss the matter. We welcome those who are able to join the European Union, but there have to be quite serious doubts about the timetable, if there ever was one, for Georgia. I hope that we will not turn our backs totally on Georgia but will discuss where we go from here. The subject is relevant to this debate, although it might not be everybody's top priority.

How should the EU and every member state respond to what happened? I am one of those who do not believe that anything will be gained at this stage by playing the blame game. The facts are still in short supply and an independent inquiry is crucial. That is why I welcome what the EU has managed to achieve. I wish the inquiry well. In due course, when we have an independent international report, considering the issue of blame might become appropriate, but for now I do not think that it is. However, from my involvement thus far, I believe that it is sensible and safe for us to draw three interim conclusions.

First, the war did not start on 7 August. The vicious fighting might have started on 7 August, but the war started a long time before that. Another safe interim conclusion is that both sides are at fault. Both sides entered into commitments when they joined the Organisation for Security and Co-operation in Europe and the Council of Europe, and they have patently broken those commitments. It is also clear—I have seen it with my own eyes—that there have been human rights violations on both sides. Both sides are at fault and I do not see the point of trying to say who is worse. The final interim conclusion that I have reached is that we all—individually, nationally and internationally—share some of the responsibility for what happened. There were warning signs. Comments were made by both sides over a longish period. We might have heard them, but we did not seem to pay much attention to them. I believe that that will become one of the lessons to be learned.

When this matter is discussed at the summit, as I trust it will be, I hope that the leaders ask themselves three really straightforward questions. How can they and we help the civilian victims on both sides? What should the EU say about Russia and Georgia to the Russians and the Georgians, and what should it do? How can we reduce the risk of further and future armed conflict in our continent? That is the first group of questions.

As for the civilian victims, I have seen with my own eyes the destruction caused by both the Russians and Georgians in South Ossetia and the buffer zone. That was tragic and heartbreaking, but all I shall say is that bombs, shells and missiles do not discriminate between nationalities, or between the innocent and the guilty. They simply destroy everything and everybody. Thankfully, help has been and is still being sent: some of the internally displaced people have been rehoused, but there is still an enormous amount to be done. The onset of winter makes the crisis ever more crucial, and renders it ever more necessary that we ask what more we can do.

There are three things that the summit might like to consider. It should consider how we can give more assistance, and how we can send more to help the people in the region. I am not criticising what has happened, but there is still more to be done. We can also ensure that the aid reaches the recipients for whom it is intended, and insist that those who wish to return to their own home should be allowed to do so—unless, of course, they have been bulldozed by one side or the other.

The second and third tasks that I have set out are not going as smoothly as they ought to. We have heard about the difficulties experienced by the Red Cross in getting deliveries to certain places. I find that unacceptable, but we have also found that people's access to their homes is being forbidden. That is especially true in the Kodori gorge region, a mainly Georgian area in Abkhazia where Georgians are finding it difficult to get into their homes. Akha Igori in South Ossetia is essentially a Georgian town, but its inhabitants are finding it hard to get back home.

We cannot allow that to continue, and we have to ask what is stopping people returning. One of the most crucial elements is the demand that people who wish to go back home must give up their Georgian citizenship and accept Russian passports. Some people say that that story is right, others that it is wrong, and still others claim that it has been invented, but I should like to share with the House the proof of its authenticity.

I have in my hand a Russian passport, one of a batch of brand new passports captured from a Russian vehicle. All the passports claim to have been issued in 2004: they all have a complete name, as well as a proper photograph and seal. They are genuine Russian passports—except for the fact that none of them has been signed by the recipient. Not one of them had been asked for. I hope that the summit will say that that is unacceptable, and that we cannot tolerate people being kept out of their homes unless they do something quite unrealistic and unjustifiable.

The second question that I hope that the summit asks is a really tricky one—what do we do and say to the Russians and the Georgians? We must start with the very simple message that going to war in Europe—whatever the reasons, circumstances and justification—is totally, utterly and completely unacceptable. Two countries went to war and it does not matter who is to blame, because we have to say, "Up with that we will not put." It may be that one side or the other was provoked, but that does not matter: both sides used disproportionate force in whatever it was that they were trying to do, and neither can use the excuse, "We were provoked so we had to respond."

Both Russia and Georgia say regularly that they wish to join fully the family of democratic nation states in Europe. That is their wish, and it is mine too. I want to help both countries achieve that end, and I hope that the EU wants to help them too, but another clear

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message has to be sent: if Russia and Georgia want to join the Europe that we believe in—the Europe of democracy, human rights and the rule of law—those principles are not negotiable. We will not make an exception because a country is small or big: our message must be, "You are welcome into our family, but we're not going to negotiate and weaken what we believe in just to make it easier for you to join."

When these matters are discussed, we must insist that President Sarkozy's six-point plan is implemented in full by both sides. Until that happens, we will not be in a position to make progress on anything else.

As I said in an earlier intervention, I realise that the Council of Europe is one of those organisations that people sometimes forget exists, but its Parliamentary Assembly recently drew up a list of things that have to happen. When they joined the Council of Europe, both Russia and Georgia signed up to solemn commitments, one of which was not to use violence. I hope that the EU will join the Council of Europe in requiring that the list of things that the Council says has to happen must be achieved before any more progress can be made.

Although there is a list of things that we can all do, I am not overly impressed by the progress that has been made thus far. I understand that it is in the EU's interest for us to resume negotiations on a partnership and co-operation agreement with Russia, but that would send the wrong signals. It would be to say, "You can go to war with a neighbour and we'll still talk to you." I do not think that we should send that message. At last week's summit of the Organisation for Security and Co-operation in Europe, the Finnish presidency wanted an agreed statement to be issued. The presidency said that it was better to have no statement at the end of the summit if any attempt was made to water down the wording. What happened? There was no statement.

Even the Council of Europe is not beyond criticism. The ambassadors, with the Swedish Chairman of the Committee of Ministers, had a list of things that they could do and needed to do, but they could not even bring themselves to vote on any of it. Thus far, the signals that we have sent have not been very promising, and I urge the summit to toughen up its act. As was said earlier in the debate, the Russians in particular are more willing to listen than we realise. They are more prepared to move than they might have been six or 12 months ago, and we should not miss the opportunity that we have with them.

The third question that I urge the summit to ask is, "What can we do to prevent further violent conflict?" There are three lessons that we can learn from last year's war. The first has to do with frozen conflicts—and God knows that there are enough of them in our continent—but we assume that they will stay frozen for ever at our peril. We need to revisit the whole issue, and all frozen conflicts.

The second lesson is that we ignore the warning signs at our peril, irrespective of where they come from, and however overblown they might be. The third and perhaps most urgent lesson is that we would be fools to believe that a ceasefire marks the end of hostilities. We believe that at our peril. As I said at the outset, it is perfectly possible for the war to start again. We need only look at what is happening on the ground; low-scale violence on both sides is gradually moving to worse and more violence. That is how things started last time. If we do not do something to stop that, we are running a serious risk.

There is an issue that the European Union has to rethink. Rightly and courageously, we sent civilian unarmed monitors to the region. They have not been allowed on both sides of the border, and because gunmen on both sides are staring each other in the face, those unarmed monitors are at risk as the violence ratchets up. There are EU monitors in the area, as well as the Organisation for Security and Co-operation in Europe, which is finding it difficult to get into South Ossetia. The United Nations is in Abkhazia. The time has come to bring all that together, and to say that we need armed peacekeepers on both sides of the border. We ought to discuss that with the United Nations in the first instance. That is not to criticise the EU unarmed monitors, but we are putting them at risk, and I do not think that they will solve the problem in the long term.

I said at the outset that the conflict is probably not the top priority for the summit, but it has to be on the agenda. It is an EU issue, even though neither of the countries concerned is a member of the European Union. We must always bear it in mind that last August, two European countries once again went to war. Both had given solemn undertakings that they would do no such thing. Both had said, "We want to build a country with democracy, human rights and the rule of law." Both said, "We will settle disputes exclusively in a non-violent way," and both countries have broken their word. I hate to say it, but if the European Union, the OSCE and the Council of Europe do nothing on the back of that, we become a laughing stock.

However, there is a risk of doing too much. If we do too much, and the result is that we throw people out of an organisation, or they choose to walk away from us, we can no longer talk to them. Democracy, human rights and the rule of law are values and concepts. We cannot force them on people. We can only encourage and help people to develop them, and we can only do that if we keep talking.

6.43 pm

Ms Patricia Hewitt (Leicester, West) (Lab): It is a pleasure to take part in this debate and to follow the hon. Member for Spelthorne (Mr. Wilshire), who made a very interesting and well-informed speech. It was also a pleasure to hear my right hon. Friend the Member for Cynon Valley (Ann Clwyd), who speaks with deep passion and knowledge about Turkey, Iraq, the Kurdish people and their culture. She gave us a rather pertinent reminder of what an unfree Parliament really looks like. However, rather than following those two Members in speaking about the European Union's external relations, I want to revert to a point that my right hon. Friend the Foreign Secretary made when he opened the debate—the essential link between the steps that we and other countries are taking to support economic recovery, and the steps that are essential to supporting the greening of our economies.

Europe already has the most advanced carbon trading system in the world. I think that I am right in saying that some 60 per cent. or so of the world's carbon trading takes place within the European emissions trading system. Many years ago, as Economic Secretary, I was

responsible for the Treasury's contribution to the green agenda. I worked with business leaders and leaders in the City of London on the beginnings of a carbon trading system, initially within the United Kingdom, and then more broadly across the European Union.

Despite all the enormous problems that have arisen in the global financial system, and the profound mistakes, made by many, that gave rise to those difficulties, it is worth reminding ourselves that, in the City of London, there are deep-seated skills in trading issues. Those skills will stand us in good stead as we develop, both in Europe and globally, the emissions trading system that we need as a central part of our programme to tackle climate change.

We have learned important lessons from phase 1 of the emissions trading scheme. I welcome the fact that the British Government have been at the forefront of ensuring that those lessons are learned for future phases of the European emission trading scheme. Those lessons include the need to have a single, Europe-wide cap on carbon emissions, rather than national caps, which undermined the contribution that our country made to the earlier stages of the European emissions trading system. We also learned that one goal is to auction as quickly as possible all the permits within the trading system, rather than to have substantial or universal free allocations. Of course, allocations of that kind provided such windfall profits in the first phase. There is also a need to bring aviation within the scope of the trading system as quickly as possible.

On all those points, the Government are doing exactly the right thing in supporting the European Commission and urging our fellow European Union member states not to backslide on the changes that need to be made to strengthen and reinforce emissions trading. There is one point on which I would be grateful if my right hon. Friend the Minister for Europe could comment. I believe that I am right in saying that the European Commission proposes that some—not all—of the revenues that will come from the auctioning of permits for emissions trading should be earmarked for investment in climate change measures, such as clean coal demonstration projects or energy efficiency projects. I also think that I am right in saying that the Government do not support the Commission in that proposal, and oppose the earmarking of part of the revenues from the auctioning of permits.

That reflects the long-standing orthodoxy of the Treasury, which has always been against the hypothecation of any tax revenues. I have said on other occasions, and argued when in government, that I think that the Treasury is wrong in its blanket opposition to hypothecation, and I urge the Government to look again at their position on that issue. It will be much easier to persuade other member states, and indeed the public more broadly, of the need to auction permits for emissions trading if the public can see that at least some of the revenue from that auction will go directly to measures that will support a more efficient, more sustainable economy.

Jo Swinson: I am listening with interest to what the right hon. Lady says about how we fund the mitigation activities that are needed if we are to tackle climate change. Given that the Stern report pointed out that 1 per cent. of gross domestic product ought to be spent on such activities, surely it makes sense to use some of the auction revenue to fund those necessary activities; otherwise, the money will have to come from somewhere else. Auction revenues may be one of the most painless places to get the money from.

Ms Hewitt: I am grateful to the hon. Lady for that point, and for her support for my argument; I think that she is right. The action that the European Union is already taking, and will take, on climate change through a strengthened emissions trading scheme is vital in itself, as is the contribution that the largest single market in the world can make towards reducing pollution levels. It is also essential because it is by showing that kind of leadership that the European Union can exert great influence on the rest of the world. Such leadership was shown when the EU adopted before 1997 the target of cutting CO_2 emissions by 15 per cent. below 1990 levels. It did so as a deliberate part of its strategy to influence the outcome of the Kyoto negotiations, and that is precisely what happened. The EU target of a 15 per cent. cut in greenhouse gas emissions affected the ultimate outcome of the Kyoto negotiations and their commitment to a 5 per cent. reduction across all Kyoto signatories.

The EU, looking ahead to next year's Copenhagen convention on climate change, has set the target of a reduction in greenhouse gas emissions of 20 per cent. by 2020, with a further commitment to achieving a 30 per cent. reduction if there is an agreement at Copenhagen that, critically, involves the United States, China and other major emerging countries. Again, that 20 per cent. reduction—potentially 30 per cent.—has been adopted with the double aim of greening our own economies in Europe and of influencing the scale of global ambition at the Copenhagen summit. I urge the Government if, indeed, they need any urging at all, to stick to their support for that goal of a 20 per cent.—potentially 30 per cent.—reduction, and to urge other member states and Governments to stay with that commitment.

The critical difference at Copenhagen is the presence of the new United States Administration, and I strongly support the remarks of the hon. Member for Kingston and Surbiton (Mr. Davey) on that issue. As my right hon. Friend the Foreign Secretary said, President-elect Obama has already made clear the huge scale of his determination to introduce as quickly as possible in the new year an economic recovery package for the United States that will also, as he has said, enable the US to come out of recession stronger, more competitive and, above all, more sustainable. I believe that he is absolutely right in the scale and direction of his ambition. If I have one criticism of the Government's pre-Budget report it is that we have not yet done enough—and we are doing a lot—to use the fiscal stimulus that we have rightly put in place to support the economy during the downturn to make our homes, offices and, dare I say, the House energy efficient. We need to do so on an even bigger scale, and the time to do so is during the economic downturn, when unemployed people need retraining and when work to green our environment, buildings and economy is urgently needed.

I very much hope that the EU, given its determination and its track record on climate change, will work even more closely—and can do so—with a new US Administration to ensure success in Copenhagen. As we know very well from the latest international discussions

[Ms Hewitt]

on climate change under the existing Administration in Washington, the US will not act unless China and other emerging economies act and they, in turn, will not act unless the US does so. With the change of Administration in Washington, we have an opportunity globally to cut through that bind and get the global action that is desperately required. As part of that, I have no doubt that we will rapidly see the emergency of a transatlantic trading system that will build, on the US side, on the trading systems that have been put in place in California and adjoining states, and that will link with the growing European emissions trading scheme and, in turn, both will link with the clean development mechanism and the global trading that that makes possible.

May I develop a point made by my right hon. Friend the Foreign Secretary and by my hon. Friends in interventions? It is a more political point about the isolation of the British Conservative party.

Mr. Evans: Oh dear.

Ms Hewitt: I did not realise that that was painful for some hon. Members to the extent that one of them cannot bear to hear again about the extent of his party's isolation in Europe. It is quite extraordinary, however, that the official Opposition still persist with their commitment to withdraw from the European People's party in the European Parliament, to withdraw from the social chapter, and to renegotiate the Lisbon treaty, even if it is ratified by every member state at the point at which the Conservatives—if indeed they do—form a Government.

Mr. Evans: The right hon. Lady has talked about the isolation of the Conservative party in Europe, but what about the isolation of the Labour party in this country? It offered the country a referendum on the constitution, and it was taken from the people. Does she not recognise that the Labour party will pay a price for that at the general election—bring it on?

Ms Hewitt: That is something that we debated at considerable length in the House when we went through many days and weeks of proceedings on the Lisbon treaty. Many Members and I made a point about the significant differences between the Lisbon treaty and the constitution, but I must tell the hon. Gentleman that the position that his party persists in maintaining on the treaty, the social chapter and on the EPP in particular, make complete nonsense of its claims to have moved to the centre ground of British politics and, furthermore, to be a party committed to green policies. Both claims are completely absurd and, indeed, the isolation of any Conservative Government in the EU would make it quite impossible for them to exercise the kind of influence that they claim that they would like to have over environmental matters.

The position, however, is even worse than that. It is clear that the real view of the British Conservative party and of its leader is that the EU is some kind of historic dead end, and that the new American Administration should focus on their relationship with the United Kingdom, not on their relationship with the EU. I have no doubt whatsoever that there will be an excellent relationship between President-elect Obama's Administration, the President-elect himself and the UK, at least as long as we have a Labour Government. I have no doubt at all that the relationship between the Prime Minister and the new President will be close and highly effective but, equally, I have no doubt at all that President-elect Obama, as he made clear in his election campaign, gives a high priority, and quite rightly so, to the much larger relationship between the United States and the EU as a whole. Whether on issues of climate change or on global trade and the need both to combat protectionism and to secure the Doha development round, the relationship between the US and the EU as a whole is absolutely critical. Any future Conservative Government would therefore find themselves not simply isolated in Europe, but isolated from the United States, and they would lack real influence with both.

Issues such as climate change will be important at this European summit, and the Government, with the few caveats that I have mentioned, are in exactly the right position. I wish the Prime Minister and the Government well at the summit. It would be a disaster for the interests of our country and our people if this Government were replaced by the Conservative party.

7 pm

Mr. William Cash (Stone) (Con): The Foreign Secretary referred to several matters, and I will start with the Irish question. We are intimately bound up with where Europe as a whole goes, and whether that involves the European Union as devised by the Lisbon treaty or by its godfather, the constitutional treaty, is another question.

Sometimes for better, sometimes for worse, we have had an intimate relationship over an extremely long period of time with the Irish. My grandmother, for example, was an Irish lady from County Cork. There are intimate family and commercial relationships that go back over many hundreds of years. One of my forebears was responsible for the petition for Ireland in the 19th century, and another was the Member for County Meath in the 1840s and 1850s, and was responsible for setting up the tenant rights association. Many hon. Members have intimate relationships with the Irish people.

The Irish people voted by a substantial majority against endorsing the Lisbon treaty. We have heard in this debate and formerly that the French and the Dutch both turned down the original constitutional treaty. Surprise, surprise, when countries of that size turn down a treaty, the treaty is abandoned and a new one is devised. In this case—I choose my words carefully—the Irish are effectively, as they were with the Nice treaty, being put through the wringer, despite the fact that the draft conclusions leave that issue blank at the moment. There has been a concerted attempt, in which this Government have joined, to their eternal shame, to bully the Irish people, but the Irish people are not prone to being bullied.

The Government of Ireland are deeply unpopular. Under their tutelage, the Irish economy is showing signs of being in desperate straits. The attempts to bribe the Irish electorate by giving them a free vote on issues relating to abortion, providing flexibility within the treaty arrangements or obtaining an extra commissioner, who would, of course, only be a minor voice in EU affairs, will get nowhere. President Clinton's comment,

"It's the economy, stupid," may mean—this is quite apart from the Irish people's patriotic view, as expressed in a recent opinion poll, that they will defend their position—that the Irish people continue to vote no; we will see, but that is my judgment.

Only a couple of days ago, the Irish had yet another poll. Far from the position getting better from the Irish Government's point of view, it is getting worse—opposition is now up to 57 per cent. The Government are not on a good wicket in joining the rest of the EU to bully our friends, comrades and colleagues in the Irish Republic.

Mr. Evans: Does that not reinforce the argument as to why we should have had a referendum in this country? If the Irish no vote has opened up those aspects of the treaty that are not in Ireland's best interests and allowed it to make some advances, then people there have shown how strong they are. We did not like aspects of this particular treaty, but we have succumbed to them, and now we do not have a leg to stand on. If we had had a referendum and Britain had said no, what would the EU throw at us in order for us to say yes in a second referendum, if we were to have one?

Mr. Cash: I could not agree more. My hon. Friend, who has been a great ally in these matters over a long period, has put his finger on it. He also represents an excellent constituency, Ribble Valley, where I went to school.

I listened with dismay to the views of the Liberal Democrats, who are all over the place. The hon. Member for Kingston and Surbiton (Mr. Davey) has said that he would be in favour of a yes vote, if there were a vote on the Lisbon treaty, but that is not the position of the party as a whole, and he would be in favour of a yes vote on the euro. *[Interruption.]* There is a disturbance on the Liberal Front Bench. *[Interruption.]* Liberal Democrat Members are all in favour; what a marvellous admission. Now we are getting down to it, and I am glad that I have been able to stir them up. Their position has been mildly, if not entirely, contradictory on almost every aspect of their approach to a referendum over the past few years.

Jo Swinson: Unfortunately, the hon. Gentleman has completely misrepresented my party's position, which is that we support the Lisbon treaty. There may not be entire unanimity on that issue down to every single member of the party, but if he were to look within his own party, he would find the same thing.

Mr. Cash: As far as Conservative Members are concerned, no more than four people were prepared to vote in favour of the treaty and against a referendum. The degrees of division within our respective parties favour our side rather than the hon. Lady's.

An interesting exchange of views recently took place between the President of the Czech Republic, who is about to assume the presidency of the European Union, and the Irish Government. The Irish Government invited the President of the Czech Republic to make a state visit. The President is as honest as the day is long, and he rightly expressed his views, which are well known, about the treaty.

Richard Younger-Ross: He is a very good friend of yours.

Mr. Cash: Absolutely. As the hon. Gentleman knows, I was recently in Prague, where I had the opportunity to visit the castle to participate in certain discussions about those questions. *[Interruption.]* That long-standing friendship goes back about 20 years.

There was a so-called diplomatic row about that exchange of views with the Irish Government. Having followed the press cuttings and the exchanges that took place, I think that the views of the President were more than justified, although he came in for a lot of criticism, which often happens when people trespass on the sacrosanct territory of the Lisbon treaty, or for that matter any other treaty, and run up against the establishment.

The Czech President is a man of great honesty and determination, and I imagine that he will not agree to approve the outcome of the current discussions in the Czech Republic until after the Irish vote. I simply want to get on to the record my serious concerns about the fact that the Irish are being bullied and that our own Government are party to that bullying. That needs to be put clearly on the record.

We have been dealing with another important matter in the past few days, and I want to make glancing reference to it. Yesterday's debate may seem to have been abortive, in the event; we shall see whether it was in due course. However, there is another aspect to the question of arrest. Without going into the details, I simply want to place it on the record that if the arrest in question had taken place under a European arrest warrant, important additional constitutional questions could have arisen.

Under the terms of the European arrest warrant, apparently the European Court of Justice would ultimately make the decision. For example, if somebody from this country happened to be abroad and offended a law of the country that they were in, and if, within the parameters of the European arrest warrant, that led to a warrant being issued against them which was exercisable in this country, we could get into equally important—I do not say more important—constitutional difficulties. As yet, the issue has not been resolved, although no doubt it will be in due course.

Natascha Engel (North-East Derbyshire): Will the hon. Gentleman admit that that did not happen?

Mr. Cash: A European arrest warrant was not involved, but the fact is that such warrants are now part of the law of this country. I happen to think that they were a very bad idea and have argued against them on many occasions, but the fact is that they are part of the law of this land. Allowing that to happen was a great mistake, and it has meant that another constitutional issue could arise in certain circumstances. That is a possibility for the future.

I move on to the other questions. The Foreign Secretary said that the European Union was now constructed as a grouping of nation states. I wonder whether he realises what he was saying; the EU is not so much a grouping of nation states as a consolidation through the legal framework of the European Union which needs to be renegotiated into an association of nation states. I have made that case before and I do not need to make it again. I just want to put it on the record.

[Mr. Cash]

For the benefit of my hon. Friend the Member for Rayleigh (Mr. Francois) and his distinguished colleague the shadow Foreign Secretary, I shall repeat a point that I have made before. I shall deal with it just once, to get it out in the open: I strongly believe that we should have agreed to my amendment about the supremacy of Parliament which I tabled for the debates on the Lisbon treaty. My hon. Friend the Member for Rayleigh knows that, but it does no harm in a debate such as this to say that that should have happened, without going into why. I trust that when the time comes we will make sure that it does happen. Otherwise, we will get into problems of sovereignty, of which the European arrest warrant could turn out to be an unfortunate example. We have to assert the supremacy of the United Kingdom Parliament and require the judiciary to obey our laws.

I am therefore extremely glad to have read the speech made by my hon. Friend the Member for Arundel and South Downs (Nick Herbert) on the repeal of the Human Rights Act 1998. As I said to him, he set out the case extremely well, and it is well worth reading his speech. It left out the point that I have just made about the supremacy issue, however. Within the framework of the 1998 Act, it is open to us, in the exercise of our sovereignty here in Westminster, to override, amend or repeal the Act as and when we choose to do so. The sovereignty issue is implicit in that. We will come to the matter in due course, and I hope that it will feature in our manifesto in the run-up to the European elections. This may be the last opportunity for us to debate the issue in any detail before the manifesto is completed. I call on my party leadership to ensure that we deal with the issue emphatically and in the correct terms, as I have described them in relation to the supremacy of Parliament and the sovereignty of the House in all the matters to which I referred in that amendment.

Richard Younger-Ross: Earlier, the hon. Gentleman seemed slightly confused about the Lib Dem position on the Lisbon treaty; I should tell him that all Liberal Democrat Members, bar two, voted for the treaty. Percentage-wise, that is not much different from the Conservative position in reverse.

Mr. Cash: You were one of them.

Richard Younger-Ross: I was. An hon. Friend whom I will not name—that is up to him—was the other.

On the European arrest warrant, does the hon. Gentleman not see that, if a criminal gang from one of the new member states committed offences in this country and we had difficulty in bringing its members to trial because the judicial system was not yet sufficiently robust in that new member country, the European arrest warrant would be a useful tool for the constabulary of this country?

Mr. Cash: I understand that co-operation between police forces throughout Europe and beyond is a good idea. However, we could just as well apply the hon. Gentleman's argument to the United States, Canada or Australia, in respect of which similar situations could arise. That does not mean that we would have to come within the legislative competence of the courts in those countries.

I am saying that we could and should have co-operation; it may be possible to improve extradition arrangements to make things easier, along the lines that the hon. Gentleman has suggested. I do not want to be entirely negative about his intervention. However, it is unnecessary to extrapolate an assumption that we should be party to the European arrest warrant. There are a lot of problems with that.

Richard Younger-Ross *rose—*

Mr. Cash: If the hon. Gentleman wants to intervene once more—once more only—I shall be happy to give way.

Richard Younger-Ross: The hon. Gentleman may remember the costa del crime—extradition agreements sometimes work and sometimes do not. The reality is that there is a joint legislative structure in Europe; as far as I am aware, we do not have a joint legislative structure with the United States or any other countries.

Mr. Cash: No, we do not, but we certainly do with the European Union. If we had a system of co-operation, we could co-operate with Europe and countries beyond it. I shall leave the issue at that.

There have been quite a number of comments about the economic package, and I do not need to spend more than a few seconds on that. As I said in an intervention, the economic package has failed. The attitude adopted by the Conservative party leadership is right, and the German Government have clearly taken a similar line. It is a question of a stitch in time; by borrowing more, we will get into a position of facing intolerable taxation.

I am afraid that there are the issues of the private finance initiative, nuclear decommissioning, public sector pensions in relation to Network Rail and a number of other issues, and they are all relevant to the money that the Government are to borrow. On pages 91 and 98 of their own pre-Budget report, the Government clearly indicated that they would include those as contingent liabilities in their report for next year. If we add in the contingent liabilities that the Government themselves have already accepted, and include the Maastricht arrangements to which I referred in my exchange with the Chancellor of the Exchequer, we see that the correct figure is not £1 trillion but £1.258 trillion. We are getting into astronomical figures of a kind that should truly concern any Member of this House. I have not heard anybody challenge those figures, although I have heard people chuckle at the idea that anybody might actually read a pre-Budget report and quote back to the Government what they have set out in it.

The figures affect the Maastricht arrangements because the level at which a country can no longer go into the euro, in terms of percentage of debt as against national income, is 60 per cent., which happens—surprise, surprise—to be a mere 3 per cent. above the 57 per cent. at which the Government have pitched their figures. That was quite a nice little coincidence. I was intrigued that almost immediately after the pre-Budget report was issued up jumped Lord Mandelson, in effect urging people—in concert with his old chum President Barroso, who certainly is not elected by us—to join the euro, and the pressure again emerged for us to do so. However, the Government will not be able to do that, on any reasonable, competent analysis of the percentage of debt as against

national income, because they cannot get anywhere near what is required. A great deal of that—not all of it; I will be slightly generous—is the Government's own fault. It is unwise for Conservative Members to say that it is all the Government's fault, but I would say that it is about 75 per cent. their fault, because they induced the situation and made it worse.

Let me turn to defence. I made an interjection—I call it that rather an intervention—on the Foreign Secretary when he referred to the remarks made about European defence by the NATO ambassador. Those remarks were wrong, because historically the relationship between ourselves and the United States has been built on NATO, for very sound reasons. Yes, we can and should have co-operation between ourselves and other countries in Europe, but I am bound to ask how much that has been worth given that our young lads are being killed in the south of Afghanistan when other countries—not all of them, but some—are not committing as they should in the situation in which our boys are being put at risk. The European Union must consider this before it starts grandstanding, as Nicolas Sarkozy is prone to do, about what it will do as a European defence organisation. It is a serious matter, because every week the Prime Minister has to get up at Prime Minister's Questions and tell us about the sad circumstances in which, as a matter of patriotic duty to this country and peace in the world, our young lads are going out there to fight. It is no good telling us that that can be done under the aegis of the European Union.

I would strongly urge President-elect Barack Obama to consider the speech that he made in Berlin and subsequent remarks that have suggested, in effect—they may be misquotations; I make that point very strongly—that Britain should join up with this new European Union. I imagine that he would also mean, if he was not being misquoted, that it would be along the lines of the Lisbon treaty. I am sure that he is far too diplomatic to say anything directly, but I comment on it to this extent. Since 1947, United States policy on Europe has always been to encourage us to play a direct part in the integrated process. That has been proved to be wrong over an extended period.

There are advantages to working within a European community or alliance. Contrary to what the Prime Minister frequently suggests when I intervene on him, which is that I am seeking withdrawal, that has not been my explicit objective at any time. I have always said that we need a renegotiation. That is implicit in the fact that this is a failing system. It is undemocratic and over-regulated. The Lisbon agenda does not work. Unemployment levels are enormous. The rise of the far right in parts of Europe is extremely disturbing. It is important to deal with this situation before it becomes a crisis. The responsible approach would be for all the member states at the Council meeting that is about to take place to get together and see how they can create a new kind of Europe that would fulfil the criteria of association that I have suggested. If that is not done, I fear that the whole thing will come crashing down, and then we will get massive unemployment combined with all the circumstances that go with it, including disruption at local level that could cause no end of trouble for the people of Europe. We owe it to them to be responsible and not to allow Europe to go on turning itself into a compression chamber that will explode under the weight of the compression put into it.

Over the years, the best policy that has been adopted is the kind of relationship that existed between Churchill and Roosevelt or Margaret Thatcher and Ronald Reagan. I am not going to decry the relationships between past Labour Governments and our friends in America, but we should be very clear that our advice to the United States is that we do not want to be part of a European Union along the Lisbon treaty lines or any other lines that frustrate and undermine the sovereignty of this Parliament, which was responsible, and will continue to be responsible, for standing up for the rights and freedoms of the people of Europe, as we have done in the past and will continue to do in future.

I turn finally to the question of Georgia, Ossetia and Kosovo. I was deeply worried about the recognition of Kosovo. I know that I disagree with my Front-Bench colleagues about this. As far as I am aware, the matter has been referred to the International Court of Justice. Some of us who said that it was unwise are now being justified, because there is a serious problem about the way in which the European Union pressurised, organised and manipulated the arrangements that subsequently led to the declaration of independence. It is an internal problem as well as an external one. The same applied in relation to Ossetia and its neighbouring province. I am afraid that that, too, was precipitated by the actions in Kosovo. Although there may be blame on both sides, the reality is that one opens the Pandora's box of those sorts of countries at one's peril. This needs to be re-evaluated. We should not assume that merely because it has been done it will remain a matter of indifference to the people who live in those countries, because that is not so. As I understand it from a television programme that I saw, which seemed pretty convincing, the President of Georgia is being accused of war crimes, or at any rate the people under his direction or surveillance are being so accused, in relation to how they behaved in Georgia a few months ago.

It seems to me that all is not well in the European Union. It would be far better if we could have a proper renegotiation at this Council. I have made the case for that on many occasions. I am not expecting it to happen; I am not holding my breath. I have to say that the situation is getting more critical. The financial package, and the financial situation, is generating more difficulties, and this is the time—*[Interruption.]* I am so glad that the Minister for Europe has just come in. It is such a pleasure to see her. She very wisely stayed out during my speech. None the less, I will do my best to astonish her by saying that if I were asked, despite my deepest concerns about the sovereignty of the United Kingdom and the supremacy of this Parliament, which I thought was more important, today's debate or yesterday's debate on the question whether this House was sovereign over its internal affairs, I would say—difficult as it may be to draw a distinction—that in principle, yesterday's debate, abortive as it was, was more important than the question of the supremacy of the European Union. If we do not get the matters that we debated yesterday right, and we have not yet, we will not be able to deal later on with the question of the supremacy of the United Kingdom Parliament.

7.31 pm

Natascha Engel (North-East Derbyshire) (Lab): It is a real honour and privilege to have listened to the debate for the past couple of hours. It is a strange

[Natascha Engel]

pleasure to follow on from the hon. Member for Stone (Mr. Cash), who is such a famous Eurosceptic. It was a great pleasure to hear him speak, and surprising to hear him being as supportive of Europe as he was. It is a pleasure to take part in the debate because European issues, especially the European economic union, are of such massive importance, especially today.

I want to consider Europe from a much wider perspective and examine the founding principles of the European project as a whole. Sometimes we are in danger of losing sight of why Europe is so important, and I would like to speak about why Europe is so important to me from a personal perspective. I have a British mother and a German father and I moved to England when I was nine years old. I was born and brought up in Berlin—West Berlin, as it was known then—which at the time was an occupied and divided city. It was at the forefront of the cold war, and that small area represented Europe's history—both the war itself, and the post-war ideological divisions. Berlin was absolutely at the centre of that.

I remember travelling from West Berlin to West Germany by air when we could choose from only three different allied airlines or—far worse—queue for hours and hours at one of the few checkpoints so that we could go by car to West Germany, travelling on the bumpiest roads that anybody has ever been on. Because Berlin was an occupied territory, Berliners did not have West German passports; we just had Berlin identity cards. Whilst we were much freer than our East German neighbours, it did not feel like freedom. It was a small city, and we were surrounded on all sides by walls and watchtowers. We could not go very far without bumping into a brick wall—literally—or into massive fencing that had been erected, alongside huge watchtowers with Russians inside. Although it was quite exciting when we were younger, it did not feel free. I found when visiting relatives in West Germany or England that things were completely different. We could see what freedom was, and it was not what we had in Berlin.

For all those reasons, and as long as I can remember, I have been a European first and foremost. I listen in horror and despair when I hear people moaning about how much money we give to Europe. They complain about the highly skilled labour we have got from the eastern European accession states—people who are helping our local and national economies. And they complain even more now that they think everybody is going back home again. People lap up stories about straight bananas and ready salted crisps. However hilarious these stories are, most of them are completely mad and totally wrong, such as the story about renaming Waterloo station so that we do not offend the French. I read a fantastic one about circus acrobats having to wear hard hats because of some EU health and safety directive. That was reported as gospel truth, and it was absolute rubbish. Those stories are hilarious, and even though I am half-German, I find them funny, but there is a serious point to be made about why Europe is so important.

Sometimes it is hard to remember that in recent history, people in Germany, Spain, Portugal and Greece lived under dictatorships. These were actual police states and dictatorships, and they are still in living memory for some people. Now that we have a European Union, we forget that. People talk about the UK within Europe and say that it is like a dictatorship, and that we live in a police state. When I hear people come out with those lines, I want to scream and say, "You've clearly never lived in a dictatorship, you've never seen what a dictatorship is like. This is not a dictatorship."

Of the 27 EU member states, 10 are former communist countries. There were no freedoms in those countries, and I saw that directly as a child when I went to visit people in East Germany. People could not say what they thought, they had no freedom to travel and their travel was often restricted within their own borders. People often could not travel around the country in which they lived. They could not buy what they wanted, quite apart from what they needed, because things were not in the shops. People were desperate for things that we took for granted such as soap, sink plugs and oranges. People could not listen to the music that they wanted to, and they could not read books that they wanted to. Although those freedoms that were denied to people were small, taken together they were significant and important. Ask people from the countries that were former communist states what membership of the European Union means to them and what freedom means to them, and they will tell you.

It is because of Europe that the countries that were communist states are thriving parliamentary democracies. Because we are members of a European Union, we are no longer on the verge of annihilating warfare with those states. I remember clearly that those states were the enemy when I was growing up, and they are no longer. They are not just not the enemy; they are states that we welcome. We accept their culture and we are starting to learn their languages. That has got to be a better way of doing things than what we had before. That is why the European Union matters so much. It is also why Eurosceptics are wrong-headed—they lack sympathy or an understanding of what it must have been like to live in those countries.

It is important to remember that the European Economic Community was founded on the principles of communities of democracy. The EEC founders wanted to find a way of ensuring that the whole of continental Europe would never again be ravaged by the death and destruction that it experienced in the second world war. In that community of democracies, we are far less likely to declare war on a country that we want to trade with. Through trade and cultural links, this community, the European Union, brings together a collection of distinct and diverse democracies. All the democracies are completely different. They are all imperfect, but by bringing them together we understand that we can support each other and make our democracies even stronger.

That is partly why the Tories have such a problem with Europe. It works because member states believe that common endeavour strengthens everyone. I know that the UK, along with many of the other richer EU nations, has been a net financial contributor to the EU, but we should not be apologetic about that. That money has been spent to help much poorer countries in the EU—as Ireland, Portugal and Spain once were. They have become economic success stories in comparison with what they were previously. As such, formerly poor countries are in a position to buy our goods, visit our country and spend their euros. For good socialist reasons, I support that. By making Europe economically successful for every nation, we improve our own economic standing. We strengthen Europe and thereby strengthen our standing in it.

I sometimes wish that the founders of the European Economic Community were around now to see what we have achieved. They simply would not believe what we have done to the EU—I hope that the hon. Member for Stone will not intervene.

Mr. Cash: How could I?

Natascha Engel: With 27 nations of all sizes, even the smallest nations have a seat at the table where all the big decisions are made about Europe. That is a wonderful fact. The size and economic strength of each country does not matter—every one has representation and a voice in Europe. Each domestic nation is represented in the European Union.

The European Union has approximately 500 million inhabitants. It is by far the world's largest economic trading area. The United States has a population of 300 million people. We are vastly bigger than even the United States and, to my mind, we are a far more civilised continent. One of the important conditions of EU membership is not having the death penalty. Any EU member state that adopts the death penalty is automatically excluded from the EU. That fact alone makes us a far more civilised union than others in the world, and I am glad to be part of it.

All citizens of the EU know that they can work and travel throughout the continent. We take that for granted now, but only by visiting a country where those freedoms are not taken for granted and movement is restricted can we genuinely understand what it means. As EU members and individuals who live in the EU, we are free to travel anywhere. Too often, we take that for granted. Freedom to travel is a basic human right, which we have because of Europe.

As citizens of Europe, we are free to work throughout the continent. Not only that, but because of the European working time directive and social chapter—again I hope that the hon. Member for Stone will not intervene—all European workers get at least four weeks' paid holiday a year. In the US, most people get only a fortnight's holiday every year.

One of the best things about our membership of the European Union is our adoption of a more European way of living. Today, we have a better appreciation of balancing work with family and social life. I believe that that is a European way of doing things, which we have adopted wholesale.

Hon. Members of all parties are beginning to recognise the importance of early intervention and improving people's life chances by giving more help to families that are struggling. I have watched with delight the Tory party's moves on that. Recognising the family as a unit and appreciating that we need to help whole families, not devise policies to punish individuals, is a much more European way of behaving. We are considering how families can spend more time together, and society is consequently far better.

We have far better maternity leave today than we had in this country previously and for the first time we have paternity leave, thus appreciating the important role that fathers play in family life, especially when children are first born. Again, those policies have come from Europe and they are wonderful.

We also have new rights to request flexible working, and even more important, part-time workers now enjoy the same rights as full-timers. That does not discriminate against people who work full time. The issue has always been about discriminating against women—far more women work part time. I therefore welcome the rights for part-time workers.

Only by existing as a bloc of states—a union—could we hope to compete against America. It is not a matter of choosing whether we look to Europe or to America, but of recognising that America is a massive superpower and that we stand a much better chance of competing with America as a bloc of united states than we do as individual countries. The EU gives us far greater economic strength.

The EU also gives us greater strength in combining a massive pool of skills. It has been fantastic to witness the sort of skills that people who have come to work in the UK have brought with them. We also go to European countries and take our skills, knowledge, language and way of doing things. That has made us stronger.

Having a united voice on foreign policy, and many of the matters that have been mentioned today, with Britain at the heart of Europe, contributing to European foreign policy, is exciting. We are taking massive strides. The aspects that the UK has identified as the most important elements of foreign policy are all on an EU-wide agenda. That is the result of Britain being at the heart of the EU—

Mr. Evans *rose—*

Natascha Engel: You're going to do it, aren't you? Okay.

Mr. Evans: I am not too sure of what I am being accused. The hon. Lady's excitement about Europe's development shows that she believes it to be right for the British people. However, the last time we had a vote on the matter was in 1975, when we voted to stay in the EU. If everything is as brilliantly rosy as she says, should not the British people be consulted on the next step—the Lisbon treaty? Should not they have another say? After, all it has been 33 years.

Natascha Engel: I thank the hon. Gentleman for stopping me in mid, passionate flow. I am being positive about Europe because I believe that it is a fantastically important project. I do not think that everything in Europe's garden is rosy. Some of the institutions need serious examination and many different, minor matters need considering. However, as a European project and a concept of which we are all part, we underestimate how exciting it is. We also underestimate the EU's significance not only from a cultural point of view but in terms of the freedoms that it has given us as individuals who live in it. That is why I am so enthusiastic. I appreciate that I am taking a broad-brush approach and speaking about broad principles.

Lyn Brown (West Ham) (Lab): I am enjoying my hon. Friend's speech, especially the passion with which she is delivering it. Does she agree that being wholeheartedly in favour of and positive about the EU means that we gain more from it than we would if we were a little more sceptical?

Natascha Engel: Obviously, I agree. However, a little scepticism does not go amiss—*[Interruption.]* They are not paying attention. I repeat: a little scepticism does not go amiss. It is important to be vigilant and ensure that the institutions, the Parliament, the elected and non-elected elements and the bureaucratic side of the EU work in exactly the way in which we want and need them to work; otherwise the project will fail, and I do not want that to happen. It is therefore important to keep an eye on everything we do, but in the greater scheme of things we are almost incalculably better off inside the EU as individuals and as a nation than we are outside it. To return to the idea of acting as a large group of nations, we recognise that by working co-operatively. We achieve so much more that way than we do individually, which goes back to the point that my hon. Friend the Member for West Ham (Lyn Brown) made.

I also acknowledge what my right hon. Friend the Member for Leicester, West (Ms Hewitt) said about the importance of Europe in tackling climate change, which is an absolute no-brainer. As individuals, and even as companies and businesses, we can do a lot to ensure that we recycle, help the environment and cut carbon emissions. We need to do that as individuals, and it is massively important that we promote it and make our children do it. However, we can do so much more if we do that within the greater area of the European Union. Not only that, but if we act under the umbrella of the European Union and ensure that all our targets to cut carbon emissions are met Europe-wide, we will achieve things that we could never achieve otherwise—certainly not as individuals and not even as a nation. Also, the power that the European Union gives us as a bloc of 27 states to argue the case with other continents and with America, China and India makes our case so much more powerful. If we set our emissions targets as part of the European Union, we will achieve so much more than we would by ourselves.

The other big point is, again, a personal issue. When I first moved to the UK from Berlin, we lived in a little place called Herne Bay in Kent, on the south coast. I remember thinking, "Wow! This is amazing! I've never seen anything like this!" and running towards the water to go for a swim and my mother saying, "No! Stop!" I looked at what was floating in the water and it was absolutely foul. From a personal perspective, the fact that our beaches are the cleanest that they have ever been is important. Again, that change was forced on us, in the teeth of much objection, by the European Union. Given the size and beauty of our coastline, that change, which has happened through our membership of the European Union, is something that we should celebrate.

We also need to recognise that, no matter how much we feel that being in the European Union is like being a member of just a bigger bloc of states, the European Union combines a respect for both the domestic sovereignty of individual member states and their culture. At the same time, however, the European Union celebrates the multiculturalism of the continent as a whole. That is a combination of our sovereignty and the culture of Britain being absolutely sacrosanct, but seen within a much bigger context. We celebrate our culture, but we can also celebrate the culture of others, in a safe and much larger environment.

Mr. Cash *rose—*

Natascha Engel: Hooray!

Mr. Cash: The hon. Lady has managed to get me to my feet. On the question of sovereignty, I defend her right to try to say what she is saying, but she completely misunderstands what is really going on with sovereignty. However, I will leave it at that.

Natascha Engel: I thank the hon. Gentleman very much for leaving it at that.

I have spoken about the broad principles of the European Union as a whole. One of the other important founding principles of the EU, of which the hon. Gentleman will be well aware, is the concept of subsidiarity. Subsidiarity, which was important right from the moment that the EEC was founded, is all about ensuring that the EU at no point legislates at an EU or pan-Europe level when things could be done better at the local level. Subsidiarity has meant that we have managed to push things further than even our national Parliaments. We have got much closer to what affects the individual citizen. The concept of subsidiarity, all by itself, has given individuals far more say in how their local communities are run. That is something that the EU has brought us.

It has been incredible to watch Europe evolve from what it was when I was a child to what it is today. I would not have believed even 20 years ago that one day we would have the member states that we have today or that we would make the vast expansion eastwards that we have, with all the positive things that that has brought. Fundamentally—I will finish on this point—for me, the spread of the European Union has been about watching freedom spread. As member states from eastern Europe have come in, we have seen a march of freedom, with people being allowed to speak their minds and move around for the first time in their lives. A lot of them had lived under communism all their lives. Now, for the first time, they can travel around. Seeing them here in the UK and watching them travel round Europe is absolutely wonderful. The threat of war with our European neighbours today is absolutely unthinkable, but not so many years ago it was a serious possibility.

I have one very final point. We have European elections next year, but for all the reasons that I have outlined—the freedoms that the European Union has given us—it is important that we not focus on the tiny, perhaps niggling things that we might find annoying about the European Union. It is important that we go out and promote the European project, say why it is important and make people understand that only by taking part can they have a say in it. I hope that all of us, on every side of the House—or both sides of the House, even—go out in June and campaign for the European elections, to ensure that we secure the highest turnout that we can.

I thank the House very much for listening, and wish it good luck with the rest of the debate.

7.57 pm

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): I begin by paying tribute to somebody who was both a personal friend and a political mentor, not least in matters European, and who over three-plus decades contributed to debates of this type in the Chamber. I was with him as something of an understudy when we went right through the Maastricht ratification process—that night-without-end experience—and, indeed, one or two of us who remember it are still here, including you, Sir.

I refer, of course, to the late, great Lord Russell-Johnston, who passed away earlier this year. He was one of the first Members of this House nominated to the original European Assembly. It was one of the great disappointments—indeed, it was probably the greatest—of his career that he never became a directly elected Member of the then European Parliament. However, he topped off his parliamentary career in Westminster—by this time he had gone to the House of Lords as Lord Russell-Johnston of Carbost, on his native Isle of Skye—by becoming president of the Council of Europe, very much at the peak of his powers.

Whatever view one takes about the European issue—on this Russell was as constant as the northern star, and if occasionally his critics in other parties found him inflexible, I can confirm, having observed him at close quarters for more than 25 years, that he was equally inflexible with whomsoever happened to be the party leader at any given point—he was always a person of impeccable courtesy. British liberalism has lost a great champion, as has European liberalism. These debates—latterly in the House of Lords, but also in this House over so many decades—have lost a great contributor. It is only appropriate to put that on the record tonight.

Mr. Evans: I was a colleague of Russell on the Council of Europe and was with him on one of his last visits, in Yerevan in Armenia, when he was taken ill. Even through his illness, he was determined to leave the hospital, in order to get out on the streets and observe the elections. We had to use all our powers of persuasion to ensure that he did not do so. He was indeed a committed European. He was committed not only to the European Union but to the wider family of the 47 countries of the Council of Europe, and he devoted himself to his duties in the Council of Europe more single-mindedly than almost anyone else I know.

Mr. Kennedy: I am very grateful to the hon. Gentleman for that intervention. It was nice of him, in a personal sense, and appropriate—given his own involvement in the Council of Europe—to bring that insight to the House. It certainly coincides with the experiences that those of us who saw him in other ways had of the man himself.

Today's debate, which was opened by the Foreign Secretary, immediately follows the mini-summit—if that is the right term—that began the week, with President Sarkozy, our own Prime Minister and the President of the European Commission, President Barroso. I note the level of reassurance that the Foreign Secretary sought to give the House regarding the absence of the German Chancellor. One hopes that his reassurances are correct, because it would be a disaster, at a time of international recession affecting all our individual countries as well as the European Union and the rest of the globe, if there were any dislocation in the approach being pursued by the British, the French and the European Commission, or if there were any significant difference in the approach being pursued by the German Chancellor and her grand coalition. We have to guard against that. I say that from a pro-European standpoint, given the experience of several weeks ago, when the initial, more collective European efforts were unveiled. That strategy lasted barely 48 hours after the conclusion of proceedings on the continent, and, at that point, a very different approach was unveiled in Germany. We have to guard against that.

There is a second factor that we must guard against. I welcome the Prime Minister's pivotal role—or certainly the role that his spin doctors have given him—in co-ordinating European action, given the scale and severity of the financial crisis. It was useful and good that he hosted yesterday's summit, before attending the main leaders' summit at the end of the week. However, given this country's position outside the eurozone—I shall direct the bulk of my brief remarks tonight to that subject—the co-ordination of those policies will not be reliant on one-off, headline-grabbing summit gatherings. It will involve the ongoing working of eurozone Finance Ministers.

The Prime Minister was not noted for his overwhelming public outbursts of Euro-enthusiasm during his time at No. 11 Downing street. However, given the desperately serious situation, I am encouraged that he is apparently so engaged at European level. The fact remains, however, that as long as we are not full members of the group of eurozone Finance Ministers, there will be something of the country club member status about the British role in such proceedings. That is inescapable, because that is what the Government have opted for. I am not arguing about that, because there is no need to. I had that argument with Tony Blair over successive Parliaments many years ago, and we are where we are.

The fact is that it is not sustainable or workable in the long term for Britain to play such a pivotal role at eurozone financial ministerial level when, as a result of our own decision, we are not full-scale members of the club. I am not going to recommend that we change that, because we cannot. I am not even going to suggest that it is desirable for us to do so, because it would not be. However, the Government need to be aware of that, given the status that they have opted for, and given the challenges that they have set themselves in the present context.

I congratulate the newly arrived Minister for Europe, if I may so describe her, on her appointment and wish her well. I am speaking here not so much in a party capacity; that contribution has already been made. I am speaking more on behalf of the all-party—and, indeed, non-party—European Movement, of which I serve as president at the moment. On behalf of its members in all parties in the House, as well as of its membership outside the House, I hope that the Government will continue to look favourably and constructively on its role—limited though it is and modest, but realistic, though our ambitions and aspirations are—in propagating a rational and constructive pro-European case within civic society in Britain. That role has been acknowledged by the Prime Minister from the Dispatch Box.

The European Movement sought more than mere warm words from the Minister for Europe's predecessor. I do not know whether the file on that matter has made its way to the Minister's in-tray yet. If not, I am sure that it will do so as a result of these exchanges. The European Movement is now in its 60th year, and it used to receive a subvention direct from the Foreign and Commonwealth Office. It feels rather sore about the fact that "common sense" prevailed during the days of Mrs. Thatcher and—as some members of the Conservative party will be pleased to hear—that subvention was cut off. The organisation has not received a penny since.

[Mr. Charles Kennedy]

Given the heightened interest in matters European, and the role that members of all parties and those outside the House are seeking to play in the movement, one would have thought that a degree of support beyond mere rhetoric and warm words from the Government at the Dispatch Box and elsewhere could be favourably considered. I am not expecting an answer from the Minister tonight, but I know that representations have been made to the FCO and the Prime Minister from a variety of quarters.

Unsurprisingly, in the context of this debate, reference has been made to the amazing effect that the reappearance of Peter Mandelson invariably seems almost instantaneously to engender in any context. Few have looked more pleased by Peter's reappearance than the Conservatives, and that was reflected in the shadow Chancellor's comments last week about Lord Mandelson being rumoured to have been the subject of the President of the European Commission's remarks about senior British politicians commenting to him favourably on the euro. Incidentally, there has never been the remotest piece of evidence to that effect. I have heard several very senior British Conservative politicians, among others, uttering precisely the same sentiments—not just recently, but over the past 12 months or so—all of whom have high-ranking pedigrees in former Tory Governments and have served in European capacities elsewhere as well. Anyway, the finger is now being pointed at Lord Mandelson, and I am never against his being blamed for things, whether he is guilty or not, because he is a master of that art himself.

The fact is that, over-hyped though some of this might have been, it none the less highlights a significant truth that needs to be addressed a bit more rationally across the party political spectrum. Like it or not—we certainly all regret the circumstances that are giving rise to this—the euro is slowly but surely beginning to become a topic of discussion and comment, if not yet of full-scale political debate, which would not have been anticipated 18 months or two years ago. I am the first to acknowledge that that is happening for all the wrong reasons. We did not want the deepening recession that seems ahead of us to be the trigger, but trigger it has, in some respects, proved to be—not least in the precipitous fall in the level of the pound. When the currency is down more than 20 per cent. since the middle of the last calendar year, it is clear that something very dramatic is taking place. Although the source of the comments to which the President of the European Commission referred has undoubtedly been over-hyped, what cannot be over-hyped are the economic realities that this country faces.

I speak as a non-economist. There are varying interpretations of Britain's current economic and financial plight, but as fairly as I can read the situation, the many who are contributing to the debate range from the gloomy at one end to the outright apocalyptic at the other. What is not in doubt, whether one's analysis is gloomy or apocalyptic, is that in coming years, according to the Government's own recent statements, our economy will not meet any of the Maastricht convergence criteria, so to argue for entry into the euro now would be absurd and premature—but that is not to say that attitudes cannot change with the passage of time.

My hope is that we can be a little more rational than we were in the past and at least acknowledge that there could be circumstances—only with the full engagement of the British public via a referendum process, so it would be a considerable number of years down the track and certainly not in the lifetime of this Parliament—in which we could revisit the euro issue.

Mr. Cash: I am listening to the right hon. Gentleman, and we have heard that suggestion, too, but for all the reasons I have given, I think it would be disastrous. Does the right hon. Gentleman recognise that, as with the exchange rate mechanism, some people might be deliberately attacking the pound—there is no doubting that it happened on previous occasions—to undermine our position so that some people might have an advantage in trying to argue a way into political union? I am not alleging that, but does the right hon. Gentleman recognise it as an argument that he might have heard somewhere outside the House?

Mr. Kennedy: I would certainly recognise—

Mr. Cash: It happened in the 1930s—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Member for Stone (Mr. Cash) has had a very fair ration of the debate and others are waiting patiently.

Mr. Kennedy: None more patient than me, Mr. Deputy Speaker. I dare say that an inference can be drawn from what the hon. Member for Stone (Mr. Cash) says. I am thinking where I might hear such machinations outside this House, and I have to say that the hon. Gentleman is suggesting a level of considered conspiracy that I would usually associate only with the Liberal Democrat annual conference, where the leadership is concerned! The hon. Gentleman should take that as a compliment, because we have some of the best in the business when it comes to judging someone's motives at any given time.

Matters move on. When the euro was introduced—without, of course, British participation—one un-named Eurosceptic currency trader, to cite someone whom the hon. Member for Stone might approve of, described the euro as "a toilet currency". That rather reminded me of the Scottish politician who, when the late Donald Dewar published the original devolution proposals, described the envisaged blueprint for Scotland as "a pygmy Parliament". Times move on, Mr. Deputy Speaker, and the politician who came out with that is as we speak serving as the First Minister in that so-called pygmy Parliament, as he chose to characterise it. I do not know what has happened to the Eurosceptic currency trader, but I suspect that recent events might well have flushed him away, because the euro has certainly not been flushed away.

One is reminded of the leader of the Conservative party during the general election of 2001, when I was leader of my party, too. That former leader spoke, of course, as shadow Foreign Secretary this afternoon. However, the recurrent and repeated slogan of the right hon. Member for Richmond, Yorks (Mr. Hague), as each day passed during the 2001 general election, was that there were only x number of days left to save the pound. Here we are at the end of 2008, and although I

have been on a different side of the argument from the right hon. Gentleman since 2001, the pound is still very much with us.

The shadow Foreign Secretary rather reminded me at the time of the 40 or so days of the 2001 campaign—and he certainly has in the eight or so years since—of one of the fanatical groups that go up to the top of mountains to say that the world is coming to an end at a certain time one afternoon, only to have to go back down the mountain rather shame-facedly when, funnily enough, the sun keeps rising in the east and setting in the west. The right hon. Gentleman no longer speaks about saving the pound, because it has not gone away, but his comments and predictions today should be taken in that context—his track record is not at all persuasive.

The euro, then, is still with us and I think it can be judged to have been a success. The verdict may be mixed overall, but it remains a success. It has certainly not been the terrible failure that was predicted, any more than those who predicted the end of the pound have proved to be correct. If we recall some of the arguments against joining the euro at the time, we can see that some of the arguments have moved on. Time does not allow me to get into a great debate to disprove some of the arguments, but we were told, for example, about the housing market and mortgage finance and how different they were from the rest of Europe's. Well, how dramatically different is all that now and how much more different will it become in the period ahead, as we know from the scale and speed of recent events in that sector.

We were also told about the funded nature of British pensions in comparison with continental Europe, but where lies that argument today? Suddenly, there has been a gross realisation within British society of the vast underfunding in our pensions sector. Great emphasis was understandably laid on the importance of the financial services industry. I agree: that is a correct and valid point, but everybody is now singing from the same hymn sheet to the effect that the financial services sector will have to change its ways and conduct itself and its business quite differently from what would have been assumed to be the case only a few years ago.

Then there was the UK's dependence on oil. Oil production peaked in 1999 and it has almost halved since then. Once again, those economic calculations have moved on.

Not one of those—still less taken together, or even if we added more still—makes a case for membership of the euro. That is not my argument. What they do make a case for, however, is to keep it under consistent rolling review and to prepare better for a more informed public discussion and debate as and when it becomes appropriate to do so—probably a few years hence.

There are reasons why it makes no sense to join the euro quickly—obviously, in a recession, it would be ludicrous to start pegging our currency to fixed rates or targets at a time of uncertainty in the currency markets. Moreover, there is that great court of opinion out there that is still to be won over. We know that public opinion is deeply sceptical and cynical about any such move, which presents a huge job to those of a pro-European intent of whatever political persuasion even to get the facts of the case across. That is why joining the euro cannot be a policy, but it should remain a strategy and it should remain a legitimate aspiration for better times, years down the line, whatever Government are in power, underpinned by a confident vote from the British public as a whole.

The more we can move the debate in that direction, the better it will be. It is sad that it has taken such calamitous circumstances for the debate to begin to make its way back to the desired level, but, for all the reasons I have given, it has done so. It now behoves the House and all other participants to contribute in a constructive and informing manner for the benefit of those who will be most affected by it, and, at the end of the day, those are our fellow citizens.

8.20 pm

Mr. Nigel Evans (Ribble Valley) (Con): I am delighted to follow the right hon. Member for Ross, Skye and Lochaber (Mr. Kennedy), particularly given his stirring tribute to Russell Johnston. May I add to something that I said in an intervention on the right hon. Gentleman? I consider Russell Johnston to have been a good European in both the European Union and the Council of Europe style, but I also remember his ending a five-day mission to Palestine and immediately travelling to Strasbourg in order to be present for the tail end of the Council of Europe's session there. I also remember returning from Armenia with him in the vehicle that picked us up from the airport. I asked "Shall we drop you off at Dolphin square?" He replied "No, no—take me to Parliament." I think that, above all, he was a workaholic. It was impossible to hold him down: he always knew that there was something that he wanted to do. Irrespective of his age and irrespective of his health, he always wanted to be working, and that is exactly what he did until the very end.

It is a delight for me to take part in today's debate. I want to deal with a number of issues, fairly briefly. One is, of course, the Lisbon treaty. I have to say that no one was more delighted than me when the Irish voted no. I always think that, irrespective of whether one is pro or anti-European, it is good to see an institution that seems to be going at a fair speed being given a kick now and again. I tend to think, "Hold it back and let people reflect". That, basically, is what the Irish said to the European Union, but now the European Union has asked the Irish to reflect. It has gone the other way, although it should not have done so.

When the French and the Dutch people voted no, it was clearly Europe's problem, but when the Irish voted no, it was the Irish people's problem. I do not think that that is right. The hon. Member for North-East Derbyshire (Natascha Engel) spoke in glowing terms about everything European. She used the words "freedom" and "democracy" many times. I began to ask myself, "What about the freedoms of the Irish people? What about the democracy of the people of Ireland? Should they not be allowed to have their say?" Surely their voice is as important as that of any other country.

What we know is that there must be unanimity among the 27 countries. I was a bit miffed when I heard people in the European Union ask, "How dare a small number of people from one country hold back the project?" Actually, that is exactly how the project was constructed. It was constructed to allow someone to say, "Think again" or "We are not happy about the way in which this is going", so that the project could be stopped in its

[Mr. Nigel Evans]

tracks and we could be given an opportunity to have another look at it. I think that Europe should have considered what needed to be done next to make itself more popular in the eyes of the people.

The hon. Member for North-East Derbyshire said that, in her eyes, everything was wonderful, and that those of us who did not quite see it her way had got it wrong. My response is that Europe has a sales pitch to deliver that it is not delivering. It should not bully people into liking it, because that does not happen. It should achieve its aim by actions, and by ensuring that through the very way in which its institutions grow up, they can be respected and liked. Then people will follow in its wake.

What people do not want are remote politicians, unelected Commissioners, and a President whom, if he were to walk into the Chamber now, hardly anyone would recognise—politicians, that is, never mind people in the rest of the country. European politicians must start to connect with the people. During the June elections next year, we shall all be out delivering leaflets and knocking on doors, but I think we shall all be a bit surprised if the turnout is more than 40 per cent. There was a very high turnout in the United States, where a candidate really did spark excitement. I am not talking about Mr. McCain; I am talking about President-elect Obama, who excited the American people to the extent that a swathe of them turned out to vote who did not usually do so.

I believe that what has focused resentment in this country and made it concrete is the fact that people here were promised a vote on the constitution, which was taken away from them just as Tony Blair was leaving No. 10. His parting shot to the British people was, "You are not having that vote". I think that that was dishonest. As we know from listening to them, the vast majority of European Union leaders talk with pride about the fact that the vast majority of the constitution is contained in the Lisbon treaty. They are not afraid to tell the people that, because they think that that is what the people want to hear.

I have heard Hans-Gert Pöttering speak at the Council of Europe. I have heard him say "The flag is not there and the anthem is not there"—speaking with tears in his eyes, believing that such symbols are important—"but the vast majority of what we wanted in the constitution is still there." He has no doubt that people will see that as a stepping stone towards eventually having the flag as the adopted flag of the European Union, and having the anthem as the adopted anthem.

Mr. Cash: Does my hon. Friend agree that it looked highly probable when the present Prime Minister became Prime Minister that he was doing something which he knew the outgoing Prime Minister wanted and which was part of a deal—that there would not be an election and there would not be any trouble if he went down the route of endorsing the Lisbon treaty?

Mr. Evans: I think that some deal must have been concocted. If the current Prime Minister had wanted to do a couple of things that would have been hugely popular, the first thing he would have said following Tony Blair's departure from No. 10 would have been, "Actually, we are going to give the people of Britain a vote on the Lisbon treaty because that is what we promised them." The second would have been, "I think we will have a general election while we are at it." I think the Minister for Europe knows that I would not like to predict the outcome of at least one of those two actions had the Prime Minister had the guts to take them. Just as a dog is for life and not for Christmas, a promise on a referendum is for life, and not just for the duration of the election campaign. The British people rightly feel let down.

I want to say something about Somalia, because it was mentioned by the Foreign Secretary. I returned recently from leading a delegation of the Commonwealth Parliamentary Association to Kenya, one of whose neighbouring countries is Somalia. The current piracy is having a huge impact on traffic through the gulf of Aden and on Kenya itself, given the unsettled nature of Somalia and Somaliland and everything that is going on there. I feel sorry for Kenya in many ways. Its other neighbours are Ethiopia, Sudan and Uganda. Uganda is relatively stable, but Congo is next to it, and the whole region of east Africa is very troubled. The one thing that it needs is trade.

The gulf of Aden is used as a transportation bloc, and as a path for cargo and cruise ships. It is important for us to be able to guarantee the safety of all those ships. I read the other day that a pirate ship came alongside an American cruiser and opened fire on it. What is going on is amazing. I am therefore delighted that Britain, with its expertise in naval matters, is taking part in the EU operation in the region, but a number of questions need to be addressed. How many other countries can we persuade to play a role in the region, as that is vital? Also, when pirate ships are seized and the people on board them are arrested, under whose authority will they be tried? Where will these people end up? This is a new type of operation for the EU to be undertaking, and it needs to answer those questions. This point might be raised at the summit.

The recession is hitting everybody. As far as Kenya and the developing world are concerned, I hope that the Prime Minister will be able to negotiate from the other EU leaders a continuation of support from both individual EU countries and the EU as an institution. The one thing the Prime Minister has shown himself to be sincere about is his devout support for the developing world in Africa, both in terms of tackling HIV/AIDS and in supporting the rescue of the people who live in awful slum conditions in which they do not have proper sanitation, access to clean water or even good education, and where they need proper drugs. He wishes to see that change, and I hope he will work with fellow European leaders to ensure that progress is made towards achieving that and that, during this economic downturn, countries will not peel off from contributing to that and will not cut their aid budgets. If they do so, the most severely hit will be the poorest and most vulnerable people in the world.

I hope one of the first visits the Prime Minister will make post-20 January will be to see President Obama, whose lineage goes back to Kenya. The Kenyan people were excited and delighted by the fact that he will be the next President of the United States of America. I hope he and the Prime Minister can work together and do whatever they can to help the developing world.

The euro has been mentioned several times this evening. We have a promise on the table that we will have a referendum on whether to join it. It is hard to imagine that that promise will be taken away but, having said that, it is hard to imagine that a device could have been so swiftly devised to remove the promise of the last referendum from the British people. It is now winter, and I feel as if I am skating on thin ice; I might be putting too much trust in the Government when they have let us down once already. If the condition of the pound worsens, might they say, "I'm sorry, but the conditions are so bad we don't have time for a referendum; we're just going to have to join the euro"?

We know that European leaders are talking about this. Peter Mandelson, who is now based up the road, revels in the fact that he causes unease and disquiet wherever he walks—or floats, or whatever he does. The fact is that he is not alone in talking about the euro. Again, I recently heard Hans-Gert Pöttering talking about this; he looked at a British table among many other tables of representatives from other EU countries and said how much he looked forward to the time when Britain could play its full role as a proper European country, intimating to us that we are not good or full Europeans because we are not in the euro. If we consider the financial contribution of the British people and taxpayers to this project, it will be seen that we are very good Europeans indeed. Perhaps the other nations might wish to mark themselves on that scale. If the EU is looking for money, it had better start looking to the other 26 member states to increase the amounts they are putting in, because I think we are doing very well indeed.

President Barroso has also said that the strength of the euro might be a marker that the British are looking more seriously at joining that currency. I do not remember him saying that when the pound was doing very well against all the other currencies. I feel very sad for the many British people who made travel plans months back to go Christmas shopping in the USA or to go to one of the fantastic winter fairs that take place across Europe, such as in Strasbourg and Berlin. They did so when the pound was a lot stronger than it is now. It is now a lot weaker, but the fact is that the pound and the euro will go up and down in value, as will the dollar. We just have to accept that that is the way of things, and that the British people do not seem at present to be showing any great strength of opinion one way or the other as to whether to give all this up and throw themselves in with the euro.

I do not want to say too much more about Russia and Georgia because I thought that my hon. Friend the Member for Spelthorne (Mr. Wilshire) covered that comprehensively and expertly, particularly in his new role as leader of European Democrat Group in the Council of Europe. I should emphasise the fact that I am talking about the EDG, because there is also a European People's Party in the Council of Europe. Funnily enough, the Conservatives are not members of that particular grouping and we do not seem to be suffering because of it—we have our own very good European Democratic Group.

The other thing that amuses me is that the vast majority of people—this probably applies to those arguing for and against on this particular issue—have not got the faintest idea in which groupings our Members of the European Parliament happen to be. Most people would be hard pressed to name many MEPs, let alone to know to which grouping they belong. I do not think that people will be kept awake at night worrying about the groupings in which we happen to be.

If the Minister answers only one point that I make tonight, I would like it to be one that relates to climate change, which has been mentioned time and again. I was recently with MEPs and members of the Council of Europe at a conference that examined climate change. It sticks in the throat a little when MEPs talk about saving the planet and doing what we can to reduce our carbon emissions, given that once a month they are happy to get into their cars and planes to go from Brussels to Strasbourg for the session that takes place once a month. It costs more than £100 million for this huge circus, because they have to take all the paperwork and all the researchers with them. We all know that it is a farce. Although I do not want to put words in her mouth, that might be one of the points that the hon. Member for North-East Derbyshire was making when she said that certain things within the institution were not quite right.

I raise this matter whenever I possibly can with the European Parliament. Although it voted to continue this absurd arrangement, I am told that the Parliament does not have the final decision and that, in fact, this is a decision for the Council of Ministers. If that is the case, will the Minister for Europe ensure that this issue is raised at every opportunity to ensure that the circus is stopped, that the £100 million is saved and that, more importantly, it acts as an indicator to the rest of the European Union and the rest of the world that we take climate change seriously and are doing something to cut carbon emissions?

Jo Swinson: I am very sympathetic to the point that the hon. Gentleman makes about the ridiculous decamping of MEPs to Strasbourg every four weeks; my only point of disagreement with him is on his comment that MEPs are perfectly happy to do that. I know that the European Parliament has had a vote on this, but the MEPs to whom I have spoken think the situation is just as ridiculous as we do and wish it would end because of the environmental aspects, as well as the waste of money and time.

Mr. Evans: I am grateful to the hon. Lady for that almost historic contribution; an agreement between the Liberal Democrats and me.

If people were asked privately, the vast majority would probably say that there was no sense in this arrangement. I know that the Strasbourg authorities love the fact that it continues, and for obvious reasons; they bend over backwards to say that it must continue. If I remember rightly, the issue was raised in the treaty of Edinburgh; John Major was Prime Minister and the French were threatening to boycott everything if we pulled out of Strasbourg. Just as support is provided to ease the pain if an industry whose time has come is no longer in a location—the industry in this case is bureaucracy—I am sure that something could be done to ensure that Strasbourg is awarded one of the agencies. I am sure that the Council of Europe would love to expand into some of the properties that are available in the city, because it is always stretched for property. I am sure that something could be done to ensure that the

[Mr. Evans]

loss of this arrangement did not affect Strasbourg too much, but I do not believe that this absurdity should continue simply in order to placate the Strasbourg authorities.

I pay tribute to my friend the right hon. Member for Cynon Valley (Ann Clwyd) for what she said about Turkey. We know that Croatia is soon to join the European Union and we all cheer about that. I also look forward to the day when Turkey becomes a full member of the European Union, because I have no hang-ups about that happening when the Turks fulfil all the criteria. The other members of the European Union must be honest about their position. The right hon. Lady talked about Turkey's problems with human rights, and we know that those have been, and continue to be, severe. She mentioned the Member of Parliament, Leyla Zana, who has had a torrid time—and that is probably a great example of English understatement from this Welshman—because she has fought for democracy. Turkey has to learn that it must not only get its house in order financially, but get its human rights into shape.

The leaders of France, Germany, Greece and others also have to learn that they have a responsibility to Turkey. We set the criteria and once they are met, with independent verification, Turkey must be allowed in. We cannot continue to erect new barriers to Turkey joining the European Union.

As a member of the Council of Europe, I like to think that it is a bigger family than the EU. We have some of the more troublesome—perhaps I should say, younger and fledgling—countries in the Council of Europe, and they look to us. That is one reason why I was so disturbed when Russia invaded Georgia, and I am also concerned about what Russia is doing on other fronts. As a member of the Council of Europe, I observed Russian parliamentary and presidential elections and I was disturbed to find that emergency legislation was pushed through the Duma at breakneck speed to increase the presidential term to six years and the parliamentary term to five years. Most countries are going the other way. I am told, "Don't worry, the Finnish presidency is the same length", but while I do not wish to denigrate Finland, I would have thought that Russia should be comparing itself to the US, which has a four-year presidential term. Indeed, the US Congress is elected on a two-year rolling programme, which is too short for my liking. Imagine what it would be like here if we had elections every two years—it would be impossible.

It was not good to have two Council of Europe countries at war. We need a better understanding of the international institutions that can be used to sort out the problems that exist. Other Council of Europe member states, such as Ukraine and the Balkan states, which were mentioned earlier, are looking to join the European Union at some stage. Sometimes people point to Eurosceptics like me and say, "Ah, you don't want all these people coming from Europe and taking all our jobs." But nobody speaks more highly than I do of the people who have come from other European Union countries to work here legitimately. They all seem to be very hard workers with good skills, and I have no problem with them.

The funny thing is that the two countries that had derogations to prevent such workers coming were France and Germany. We did not have a derogation—we said, "Come in" from day one. That was a bit of a mistake, and we should have specified the skills that we needed, but the fact is we are where we are. At some stage, the Balkan countries want to join the European Union, and they may be looking at what happened with the Czechs and the Poles. In the eyes of the French and the Germans, those countries have not been wholly communautaire—in other words, they have not taken everything spoon-fed. Instead they have questioned things, and it is probably healthy for democracy in Europe that the Czechs and the Poles should question how we are developing. Those two countries are actually very good friends to the UK, and we are delighted that they are full members of the European Union.

At some stage, I hope that countries such as Montenegro, Macedonia, Kosovo, Bosnia and Herzegovina, Albania and Serbia will have the opportunity to join the European Union. We will then be talking about expansion to include other countries, such as Georgia and Ukraine. Russia has tried to block Georgia and Ukraine from becoming members of NATO, and has done so in the most cack-handed fashion, and I hope that nothing similar will happen when the other countries apply to become members of the EU. However, we are not even at that stage yet. A number of countries in the EU would prefer it to go deeper rather than wider.

We will have several problems in trying to get some of the other Balkan states into the European Union, but that will not be because they are not ready. We could argue that some of them are as ready as Bulgaria and Romania were when they entered the EU—some would say that we should have waited a bit longer in those cases, but the fact is they are members. If we are seen as fortress Europe—if we let in 27 or 28 countries, but not Turkey, and are then not interested in the Balkan states because our members would prefer the union to go deeper—to where will the other countries look? The only way in which we can try to raise their economies, to improve their human rights records, to follow the rule of law and to improve the strength of their democracies is by saying, "Come and join us." Once they have reached those targets and raised their democracies to a certain level, the doors should be wide open.

Although expansion of the EU will not be at the top of the agenda at the summit, I hope that the Government will take the opportunity to raise the issue of what will happen in the future to the countries that want to join the EU. I know that it will not happen tomorrow—it might be several years down the line before those countries might be able to join—but we need to look for another stepping stone that they can use to allow them to tick several more boxes on the way. That would at least give them some hope.

Nothing could be crueller than for us to say that as we are now 27 or 28 countries, that we want to go deeper and that we are not really interested in what is happening on our doorstep. If Russia and Georgia were to kick off in the same way as my hon. Friend the Member for Spelthorne was talking about, that will leave misery and huge problems in its wake, which will suck us in. We can hardly talk about carrying out operations in Africa and Somalia while turning our backs on what is happening on our doorsteps. We need to get that right. We need to get strategies together and to talk to other European Union leaders, including President Sarkozy, who has been an amazing president

of the European Council for the past six months. I hope that when it comes to 31 December, however good he has been, he will realise that the Czechs will be taking over and must be given a fair wind to do what they want to do with the European Union, too.

I am not totally opposed to Europe. I like the European Union countries and I like visiting them, too, but I am British first. I believe in the sovereignty of our Parliament and that is why people elected me. I want Europe to develop in the interests of all the people of Europe, and that is another reason why I think that it is right from time to time to consult the British people on how they wish to be governed.

8.49 pm

Mr. David Burrowes (Enfield, Southgate) (Con): It is a pleasure to follow my hon. Friend the Member for Ribble Valley (Mr. Evans), and I pay tribute to him for his wide-ranging speech. When my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) spoke on behalf of the Opposition at the beginning of the debate, he was concerned that the debate was developing in a ritualistic form in its early stages. The speech given by my hon. Friend the Member for Ribble Valley, however, was wide-ranging and covered many areas of concern in relation to Europe.

I support my hon. Friend's comments about Turkey and its progress towards accession into the EU. It is important that the goalposts that have been set are not moved during the accession negotiations. One of those goalposts has to do with Cyprus, and the need to move to reunification of that island. In an animated speech, the hon. Member for North-East Derbyshire (Natascha Engel) recounted her childhood memories of Berlin. She talked about a divided city, a city of walls where there was a lack of freedom of movement and travel, and sadly, that reminded me of the situation in Cyprus. The island is one of the EU's member states, but many of the concerns facing Greek and Turkish Cypriots closely resemble those that she described.

The question of Cyprus is relevant to this debate because the EU's General Affairs and External Relations Council made particular reference to the island only yesterday, and also because of the concerns about Turkey's accession to Europe. The Council expressed regret at Turkey's failure to implement the additional protocol to the Ankara agreement—one of the goalposts that have been set in place. It called on Ankara to take urgent measures in that direction and to normalise its relationship with the Republic of Cyprus.

One of the blockages in the accession negotiations is the full implementation of the customs union agreement with the EU. If that legal agreement were implemented, it would allow Cypriot ships to use Turkish ports and fly the Cyprus flag. That element of the customs union agreement will be reviewed in the summer. The legal agreement needs to be looked at separately from the issues relating to Cyprus, but it is a key stepping stone in the process of Turkish accession to the EU.

The Council also noted the importance of getting a just solution to the Cyprus problem on the basis of relevant UN Security Council resolutions. That is of great interest to the House and to the Government. I know that the Minister for Europe went to Cyprus shortly after her appointment, and no doubt she will be able to give the House the benefit of her experience when she responds to the debate.

The Government are a guarantor power for Cyprus and so clearly have an interest in what happens with the island. Another reason for their interest is that there is a widespread diaspora of Cypriots in this country. Many of them, both Greek and Turkish Cypriots, landed in my constituency and have stayed there. Beyond that, the British Government have a strategic interest in Cyprus as a result of its location, and because we have sovereign bases there.

Cyprus is also visited very often, indeed predominantly, by British citizens, many of whom choose to stay in the country. In addition, Britain's commercial interests in the island are very much to the fore. As an aside, I note that the pre-Budget report's announcement on air passenger duty has created another type of division in Cyprus. The 2,000-mile limit means that people can fly to Larnaca without the duty being imposed, whereas it is imposed on those who fly just a little further to Paphos. The Government have thereby created a disincentive for the tourist industry in Paphos, and I hope that they rectify it.

However, the division in Cyprus goes way beyond concerns about air passenger duty. The island has faced problems and tensions for 45 years. I do not propose to go through its history today, but it is important to look at the European dimension to Cyprus, which joined the EU on 1 May 2004. It joined as a divided island, but I want to make it clear that the whole island is in the EU, although EU legislation and the rest of the acquis communautaire are suspended in the north until a solution is found.

Turkish Cypriots are European Union citizens; they are citizens of a member state, the Republic of Cyprus. The concern that everyone has is how we can move towards solving the Cyprus problem. It is a question that I am often asked on the doorstep in my constituency, and I receive a number of communications on it. Indeed, just yesterday I received a communication from a local Cypriot on the Cyprus problem. His letter concluded that

"the Cyprus conflict is like the Gordian knot and can not be undone, in a million years. It is doomed and cursed to be the headache of all concerned."

Sadly, that is the view of one constituent, but it is not shared by other constituents, and certainly not by leaders in Cyprus. Indeed, the prospects for solving the Cyprus problem have in many ways never looked better. We have the best opportunity to reach a solution.

President Demetris Christofias said at the beginning of his presidency that his priority was to end the division of the island. He began talks with Mehmet Ali Talat, the leader of the Turkish Cypriots. They have a close personal and political relationship. Indeed, earlier in the debate we were talking about Euro-communists; President Christofias may well want to align himself with them. The reality is that it is in the interests of those of all political creeds and races to seek a solution to the Cyprus problem.

The early signs were good; in a hugely symbolic gesture, barriers came down in Ledra street, a key thoroughfare in Nicosia, on 3 April 2008. That was significant. Formal talks began and are ongoing. At the beginning of the meetings on 3 September, Alexander Downer, the UN's new envoy to Cyprus, said:

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"It's going to take a long time and it's going to be a difficult negotiation...But what you have here is the political will, and the political will is very good."

Together with other hon. Members from the British Friends of Cyprus committee, I went to Cyprus two weeks ago and saw that political good will. We were not encumbered by the air passenger duty. We saw for ourselves the state of play as regards the talks. We certainly saw good will on both sides.

It is clear that the outline of a settlement has been agreed. Under that settlement, Cyprus would be a bicommunal, bi-zonal, federal state that respects a single sovereignty and has a single political identity. The talks address very difficult questions, including the number of Turkish troops in what is probably the most militarised area in the world; the issue of settlers from mainland Turkey; and the issue of properties and the number of refugees who will be allowed to return to their pre-war homes.

It was expected that the first chapter of the talks, on governance and power sharing, would have been dealt with by now. Unfortunately, they have taken longer than expected, and we expect the parties to move on to the next stage in a couple of weeks. They will then move on to the next chapter, on property—an issue on which there are many problems to be overcome. However, there is certainly good will, and we urge people to ensure that all steps are taken and all efforts made to reach a conclusion. Many would say that the current opportunity is the best there has been for decades, and we must do all we can to support it.

During the visit, colleagues and I went to a number of areas, and I want briefly to reflect on them and my assessment of the situation. We went along the buffer zone—the green line—for 3 km. It was a desperately sad experience; it would have been so in any buffer zone, but it was tragic in Cyprus. We saw on both sides of the zone parts of the city of Nicosia that have been frozen in time and are crumbling. On each side, the Cypriot national guard and the Turkish army look at each other. The tragedy was strangely tempered by a visit further along the buffer zone to the United Nations missing persons laboratory. On the one hand, it is an extremely sad situation, as many Turkish and Greek Cypriots went missing during the conflict. On the other hand, that deeply tragic situation contains the seeds of hope and, indeed, reconciliation. A project has been started on a bicommunal basis, and it is making progress. The donors—the United Kingdom, Greece, Turkey and Germany—have provided funding of €2.4 million to try to ensure that the truth about missing persons comes out.

We heard that progress has been made. Since 2006, the remains of more than 450 people who lost their lives have been found, and 107 have been identified. It is hoped that over the next year a further 300 will be identified to allow families who have lost loved ones to be able to begin the grieving process after all those years. It is immensely encouraging that the project is led by the committee on a bicommunal basis. Indeed, the technicians and scientists at the laboratory come from both communities, which points the way forward for the future, and casts doubt on the communication from my Cypriot constituent saying that there was no hope in a million years, because hope has already been found by that committee and by those technicians.

The other positive sign is what has taken place on Ledra street, which I mentioned. The opening took place on 3 April. It was closed for 44 years, and its opening is a confidence-building measure. The opportunity naturally to go from one side of Nicosia to the other and to be able to communicate with both communities—both communities can communicate and trade with each other, and have some normal relations—is welcome. However, it would be so much more of a confidence-building measure if it was not necessary for Cypriots to show a passport on the way through. I spoke to a councillor in Nicosia, Mrs. Kommatsis, who is in charge of the cultural restoration of Nicosia. She is a proud Cypriot and Nicosian, but she does not feel able to make that crossing, because she would have to show her passport. She considers that Cyprus as a whole is her country, and that she should not have to do so. It would be a significant confidence-building measure if passport controls were relaxed for Cypriots and EU citizens, to allow free movement, about which the hon. Member for North-East Derbyshire spoke, and which her family no doubt desperately wanted in Berlin.

There were other positive signs of restoration work in Nicosia, and it was good to see them. It was good, too, to talk to the permanent secretary at the Ministry of Education and Culture in Cyprus, and to hear about the creation of a culture of peaceful coexistence and understanding. That unit is particularly trying to understand the identity of both communities and, for the first time, it has made it an absolute priority, in relation to literature and culture, to ensure that schoolchildren better understand other communities, whether they be Greek Cypriot or Turkish Cypriot communities. Work is also under way in relation to historical dialogue, to ensure that history is properly reflected, so that as Cypriots move to the future there can be greater reconciliation. Citizenship education, too, is under way.

Those are all positive signs, but we are concerned that greater progress should be made. The Council of the European Union has provided assistance to the north. On 26 April 2004, the General Affairs and External Relations Council declared:

"The Turkish Cypriot community have expressed their clear desire for a future within the European Union. The Council is determined to put an end to the isolation of the Turkish Cypriot community and to facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community. The Council invited the Commission to bring forward comprehensive proposals to this end with particular emphasis on the economic integration of the island and on improving contact between the two communities and with the EU."

Real cash was provided in the form of €259 million, of which €50 million has been spent.

It is important that that sum is spent on confidence-building measures to bring the communities together, not least in the area of cultural heritage. I was able to see for myself the damage and desecration that has taken place when I visited the Maronite community of Cyprus in the north. The Maronite community is an integral part of the island and has had a presence in Cyprus since 900 AD. Their language, Aramaic, is part of their liturgy, and—this is appropriate just before Christmas—it was used by Jesus and his family. According to historical documents, there were 64 Maronite villages

with a population of about 80,000 people, making it the second largest community in Cyprus after the Greek Cypriot community. Over the years of persecution, the number of Maronites living in Cyprus decreased to 500 and the number of villages decreased to four.

I was able to visit two of those four villages, Kormakitis and Karpashia. Sadly, I was unable to visit Ayia Marina and Asomatos, because they are part of a Turkish military zone. The representative of the Maronite community, who has observer status in the Parliament in Cyprus, made the case that it would be a significant confidence-building measure if the Turkish army were to relocate from the two Maronite villages, Ayia Marina and Asomatos, and allow Maronites to return. It was positive to see rebuilding taking place in the village of Kormakitis. Maronites are coming back, but they must be encouraged further.

The Maronite community considers itself a minority community caught in the middle of an international conflict. As a religious minority with a 1,000-year history on the island, it wants its rights to be respected.

Mr. Evans: Those of us who have visited Cyprus in general, and Kyrenia in particular, know that if the island could be joined, the potential for tourism and economic growth would be amazing. I fully agree with my hon. Friend that confidence-building measures are necessary. Does he believe that Turkey could play a fuller role in trying to influence what is going on in northern Cyprus to try to get both sides to come together, which itself might be a confidence-building measure in getting other EU countries to accept Turkey as a full member of the European Union?

Mr. Burrowes: I was in Kyrenia two weeks ago, when I saw for myself how fantastic it is. Sadly, it is being affected by booming development, including development on Greek Cypriot land, which has created a significant obstacle to seeking a solution. Every development provides an extra obstacle to seeking a solution.

Turkey has a key part to play; indeed, it already plays a key role in the north. I had coffee in northern Nicosia with some Turkish Cypriots, who were concerned about their decreasing numbers and reduced identity. Their concern is that Turkey is too dominant on the issue of negotiations. They referred me to a press report saying that Mr. Talat had said that he must ensure that he has the support of Ankara in relation to negotiations and his own re-election.

My concern is that Cyprus should be able to stand on its own two feet, in respect of both Greek Cypriots and Turkish Cypriots. Turkey has a role to play in loosening its grip on the north, certainly in relation to the significant issue of the role of its troops. It could show its confidence in the Maronite community by removing the troops from the villages that are part of the base.

Turkey could show good faith and respect the sovereignty of Cyprus in relation to another issue. When we were in Cyprus, it was an issue of particular concern. There have been exploratory surveys for hydrocarbon reserves in the Republic of Cyprus. It would be excellent for Cyprus if oil were found and tapped into the economy. That would benefit all Cyprus, a united Cyprus. Those reserves are in the exclusive economic zone, 13 miles from Limassol and 1.5 miles from its territorial waters. Unfortunately, however, Turkey has challenged with warships the right for the research to be carried out. A Norwegian company has said that its ships have been harassed by Turkish warships. It is in the interests of both President Christofias and Mr. Talat to ensure that the full potential of those hydrocarbon reserves is secured and that the sovereign integrity of the whole island, its territorial waters and exclusive economic zone can be respected. Saying that he wants Turkish Cypriots to gain from that research, rather than its being an issue for Turkey, is a key test for Mr. Talat.

As I said, as we approach the new year, the opportunity for a solution is better than it has been for decades. Some might ask why we should not wait and whether the issue should be a priority for the British Government. As the British Government are a guarantor power, and given the active interest and concerns, it should be a priority; otherwise, the division of the island will become entrenched in Cypriot minds, particularly those of younger Cypriots of the two communities, who have not had much contact with each other. The fact that the buildings that I mentioned are being developed, particularly on Greek Cypriot land, is an obstacle to reunification and the division is further entrenched.

It is also in the interests of Turkey's accession negotiations to progress to reunification. Resolving the Cyprus problem is a key issue as we consider, and want to support, Turkey's accession. Reunification is also in the interests of both Greek and Turkish Cypriots; they would have the benefits together of a reunited island. It is important that the negotiations do not resort to what has been a rule of diplomacy in Cyprus, in an adaptation of Newton's law of physics: any proposal from one party immediately provokes an equal and contrary reaction from the other. It is a zero-sum game.

It is important that the confidence-building measures have a reality to them and are not, as the mayor of Famagusta put it to me, exercises in futility. We look to the ghost town of Varosha to see whether progress can be made on what has been since 1974 an abandoned and uninhabited town. We want that situation to change and to see refugees come back to Varosha. At an early stage, experts could go in to see what could be done to enable that to happen. Furthermore, the port of Famagusta is underused. The two areas should be freed up so that trade can be renewed under an agreed international administration such as the United Nations or the European Union, to benefit all, and so that trade and justice can be pursued and refugees can return to the village.

What of the future for the negotiations to resolve the Cyprus problem? It has been said that no one has ever lost money betting against their successful outcome. However, I am not a betting man. Will the Minister and the Government do everything in their power to support the good will that is present at the talks to ensure that the most is made of the opportunity in the next six months? Will they play a key role in terms of the support for Turkish accession to Europe? Will they ensure that Cyprus does not remain divided and a scar, primarily for the island, but also for Europe? In relation to the wider interests in the region, will they ensure that Cyprus is not just a pawn in a wider game of chess, and that the rule of law, justice and the United Nations resolutions are properly respected, not sacrificed for wider strategic interests? I look forward to a time when we can debate Europe in the context of a united island

[Mr. Burrowes]

of Cyprus, with a bi-zonal or bi-communal federal solution based on political equality, single sovereignty, one citizenship and one international personality.

I want finally to turn to another area of interest—the middle east, Iran and the role played there by the European Union. The concern in relation to Iran is that it is threatening and destabilising the region, particularly Israel through its support for Hezbollah in Lebanon and the Palestinian terror groups of Hamas and Islamic Jihad. Given the intransigence of Iran in relation to the nuclear proliferation programme, the European Union should do more to challenge it through sanctions and consider other targets such as the Central Bank of Iran, which plays a role in relation to funding terrorism and propping up the activities of nuclear proliferation, and other agents that help to support Iran's energy sector and the outlawed financial institutions.

The concerns of the Council of Europe are wide-ranging. In relation to Cyprus and the wider issues of the middle east, they are well heard.

9.17 pm

Michael Connarty (Linlithgow and East Falkirk) (Lab): It is a pleasure to listen to the hon. Member for Enfield, Southgate (Mr. Burrowes). He clearly has a sympathetic, if not an empathetic view of the struggles of the people of Cyprus, as opposed to the political interests of those who have used that divided island for their own ends. That is the great problem that its people face. Bringing Cyprus in on a plan that was clearly rejected by half the island was bound to lead to tremendous failure and great difficulty in getting out of the impasse that we now find ourselves in. I am not quite as hopeful as he is that that will be easily resolved.

I agree with the hon. Member for Stone (Mr. Cash), who said that this is an important debate—even more important than the debate about matters pertaining to the behaviour in the House that took place previously.

Mr. Cash *rose—*

Michael Connarty: I am not going to give way given that I have been called to speak with 15 minutes to go after a series of rather lengthy speeches.

The hon. Member for Stone said that this debate was important. I think that European debates are so important that I always find it disappointing not to see the Chairs of every Select Committee in the Chamber. These matters are not only for those who have a specific interest in European politics. This is not just about people who have wide-ranging statements to make about European politics, but about the things that we are working on in the European Union. The question is whether the UK is at last a mature and confident partner in this process as we go into an election year.

Today I spent time as Chairman of the European Scrutiny Committee receiving large delegations from the Federal Republic of Germany and the Republic of Macedonia, including its Speaker, all of whom looked to the procedures in this place and the attitude of the United Kingdom to much wider matters in letting them move forward as partners. They also met the Opposition Front-Bench spokesperson, the hon. Member for Rayleigh (Mr. Francois). They see us as having a wide-ranging involvement in the serious matters that Europe must deal with. I would have liked some time to talk about what is on the table—not opinions, bluff or bluster, but the things that we are tackling together as a European Union and which cannot be tackled in any other way.

An energy policy for Europe is vital. It is quite clear that no country can exist by having an energy policy on its own. The Commission has produced a very good green paper detailing the Commission's plans on the energy policy for Europe, which was circulated and debated. It spoke of a European grid, interconnection levels between member states, investment in electricity generation for the next 20 years in a planned and programmed manner, open national markets and free competition. That latter point leads us to the question of opening out the liberalised markets to a flow of investment and energy that is not dependent on any one country, as it is at the moment. At the moment, 63 per cent. of gas energy production is provided by the Russian Federation, and that figure will rise to more than 70 per cent. unless something is done about that situation.

We have seen excellent initiatives, such as the getting together of Norway and the Netherlands to create a variable balance where hydro power can provide energy to the grid alongside wind power, so that they can balance out their needs. There clearly is a question about climate change and renewables. In our country, we are looking at whether those renewable commitments are affordable, but it seems that the intention is to drive renewable commitments up to a proposed level of 15 per cent., and for everyone to reduce their emissions by 20 per cent. That is great for the climate change agenda, but in a financial crisis we may need to be much more flexible. There is much we can do in that area together that we cannot do alone. It is foolish to think that we could do it alone; the EU has the structures to contribute to the process.

On the economic crisis—the credit crunch and the wider recession—the European Union has a European economic recovery plan. It is talking about a couple of principles in one main platform. There are two key pillars, the first of which is a major injection of purchasing power into the economy of Europe. It is an injection of £200 billion, with £170 billion coming from the member states of the EU and £30 billion coming from joint EU funds. I know that small businesses in my community are looking to that fund to get finance to them as quickly as possible. The banks are squeezing finance out at the moment, when they need to be putting it in. Hopefully, that will come together.

The second pillar is a need to direct short-term action to reinforce Europe's competitiveness. It is not a move to run away and become protective, but a move to expand the markets to allow the economy to recover. The overarching fundamental principle is that the process should be one of solidarity and social justice. I do not think that that can be done within any one country. We know from the depression in America in the 1930s that when any one country locks things down, the economies of all countries start to do so, and they shrink.

David Taylor (North-West Leicestershire) (Lab/Co-op): Will my hon. Friend give way?

Michael Connarty: I am sorry, I do not have time to take interventions. I do apologise, but that is what happens when debates are arranged in the way that this one has been.

It is important that people realise that the European Union is the platform and the context in which we must deal with these matters. There is no other way out of it. *[Interruption.]* I see the Opposition Whip chortling and laughing. I do think that it is quite wrong, if we thought we had an arrangement, to find that we do not have one. To say that I, as a Chairman of a Select Committee, should wait until the end beggars belief.

James Duddridge (Rochford and Southend, East) (Con): Turn up on time.

Michael Connarty: I have been in and out of this Chamber—

Mr. Deputy Speaker (Sir Michael Lord): Order. I think that it would be sensible for the hon. Gentleman to continue with his speech.

Michael Connarty: There are clearly different opinions on the strategy, and whether the degree of it is correct, but not about its direction. There are questions about whether the involvement with the banks is too constrictive and whether state interference, which I happen to think is necessary at the moment, is likely to interfere with banking principles. Those are hot, and live, debates.

We had a tripartite meeting of MEPs, the Lords and the Commons where that was a major topic. Baroness Cohen, who was a banker for many years, made a substantial and relevant contribution. She said that caution against expanding help from the states must be taken seriously. It is important not to think simply that if the model works for the banks, it should be used for every other section of the economy.

There are worries, which we discovered when we went to the Czech Republic, that if the USA decides to bail out—or, quite frankly, subsidise—its motor industry, Germany might be tempted to do the same. If Germany does the same, the knock-on effect on the Czech Republic and Slovakian economy would be immense. We have to be focused on what we are giving people money for. If it is just to pour out machines that nobody wants to buy, it is pointless, but if it is to innovate and put things that people want to buy on to the market and restart sections of the economy, it makes a lot of sense.

A number of contributors have talked about enlargement in various degrees, and there is an excellent document—an analysis—produced by the Commission on the enlargement process. Many of the concerns expressed by the hon. Member for Enfield, Southgate about Turkey and Cyprus have been well covered in the document. It is clear that Turkey needs to continue with its internal political reforms if it is ever to be accepted as a member. Certainly the reports I have been reading have shown that there has been an increase in extra-judicial violence by the police in Turkey, which is worrying. As I think the hon. Member for Ribble Valley (Mr. Evans) said, one would think that Turkey would be tempted or attracted to meet the criterion so that it could get access to the European Union; yet it seems in some quarters to be going backwards.

That reminds me of the Romania and Bulgaria scenario, whereby those countries were on their way to eradicating corruption at a high level and were then told that they could come in in 2008, if not in 2007. So, they stopped having to listen to the European Commission, and Bulgaria has now had the right to spend EU money removed because it is clearly not beyond corruption. In fact, corruption has increased, and there have been more than 100 contract killings in Bulgaria since it joined the EU. It is ridiculous that that should have happened. Clearly, it did not prepare itself and it was not assessed properly. There are serious questions about enlargement to Turkey, unless it gets itself back on the road in the way that it should.

As the hon. Member for Enfield, Southgate said, we know that talks are going on at the moment to try to work out a comprehensive settlement under the auspices of the United Nations. The Commission supports those efforts and has said clearly:

> "It calls on both leaders to make decisive progress on Turkey to contribute to a favourable climate for such a comprehensive settlement."

I do not believe that there is a positive climate from the Turkish side in these negotiations at the moment. Anyone who looks closely at the reports coming from the European Union must have deep concerns that that is the case.

The hon. Member for Ribble Valley referred to the western Balkans, which has been mentioned again and again in the reports that we get from the European Union on enlargement. There are some serious concerns about that. The country nearest to being a new member is Croatia; yet the report on Croatia is quite clear and says that there are serious problems in Croatia with corruption, inability and lack of capacity in the judicial field. That is a worrying factor. If we have Romania and Bulgaria, do we then take in Croatia with the same flaws and problems and add to the problems that have not yet been solved in those two countries?

Clearly, there is a problem with Slovenia. There is a minor problem between Slovenia and Croatia on the question of ports and access to the sea, which is similar to the problem in Turkey and Cyprus. We have serious concerns and to talk about Bosnia and Herzegovina, Serbia, Albania and Montenegro as if they are just a stepping-stone away from entry to the EU is to delude those countries and ourselves.

One of the meetings I had today was with the Speaker of the Macedonian Parliament, and I said to him that I would put his—and their—concerns on the record. Macedonia says that it has done so much and that it should be put on the fast track to European membership at the beginning of the negotiation process. However, the Macedonian Speaker has not been reading the reports that I read about what is going on. There has been serious violence during the recent election, and inviting a country into the European Union that has violence during its election process would not encourage it to change. The major Opposition parties boycotted the Parliament for about four months because they did not get the balance of power that they wanted, which shows that it is not a country approaching membership of the EU seriously. However, Macedonian politicians have questions about the matter and say that even the visa process that politicians who come here regularly have to undergo is onerous, expensive and demeaning. They believe that it should be put to this

[Michael Connarty]

Parliament that if they are to be treated seriously, at the very least a method of creating visa exemptions might be worked out.

We have to be serious about a number of other items. When I went to the Czech Republic with the Committee about two weeks ago, just before the presidency, the most important news that we learned was that the Social Democratic party won all 20 seats in the senate elections—the Civic Democratic party, which is currently in government, lost those seats—which included the first ever woman elected to a state or regional presidency on a direct ballot. There is not even a name for her job—she is called "the head man" because there is no other name for it. The reason that the Social Democratic party won, we were told, was simple: it opposed missile defence and the strategy of putting a radar system on Czech soil. The latest poll shows that 65 per cent. of people in the country oppose that strategy.

To finish, what concerned me was that the Czech Republic seemed to have more of a NATO and an anti-Russian view than a European Union view. That worries me greatly, because the problem with Cyprus is that Turkey was always seen as an important NATO ally. Sometimes the NATO agenda can counteract the European agenda, which is about peaceful coexistence, not historic antipathy towards another country, whether it be a large country such as Russia or a smaller country such as Cyprus. I have a problem with our approach to the enlargement process. We should take into consideration whether the agenda is an EU agenda or one that has perhaps been set across the Atlantic. For me, there should be an EU agenda and we should be full partners in it.

9.31 pm

Mr. Mark Francois (Rayleigh) (Con): It is a pleasure to sum up this often lively debate for Her Majesty's Opposition. It has touched on a number of subjects, including the European economy, the Balkans, the Russian invasion of Georgia and the European summit later this week.

We also touched on other subjects. The right hon. Member for Cynon Valley (Ann Clwyd) spoke movingly, from her own perspective, about Turkish-Kurdish relations. My hon. Friend the Member for Enfield, Southgate (Mr. Burrowes) spoke knowledgeably about the complex problem of Cyprus. The hon. Member for North-East Derbyshire (Natascha Engel) achieved something remarkable: she charmed my hon. Friend the Member for Stone (Mr. Cash). During our debates on the Lisbon treaty, Ministers almost pleaded with him on a number of occasions not to intervene on them, all to no avail. However, she somehow managed to keep him at bay for half an hour. She has developed a knack that we on the Front Benches have not yet mastered. Therefore, we must pay tribute to her.

One of the most important challenges for the international community in Europe today is the need to maintain stability in the Balkans, and in particular to preserve it in Bosnia and Herzegovina. Indeed, the Chairman of the Foreign Affairs Committee, the hon. Member for Ilford, South (Mike Gapes), touched on that in his contribution. The Bosnian wars of the 1990s were perhaps Europe's bloodiest in the past 60 years and were an unfortunate throwback to some of the worst chapters in European history. Since those days, there has been much progress. The Dayton peace agreement has by and large held. Bosnia and Herzegovina recently signed up to an EU stabilisation and association agreement and looks as if it might be on the road to eventual EU membership.

However, although Bosnia presents a face of progress to the outside world, serious problems remain. The state institutions remain weak, with politicians in both Republika Srpska and the Croat-Muslim Federation pandering to some extent to nationalist sentiment. Crucial reforms, such as the need to set up a truly national police force, remain blocked. Most worryingly, the political rhetoric of the Bosnian Serb Prime Minister, Milorad Dodik, has become increasingly strident in recent months. In fact, in a recent joint article in *The Guardian* entitled "A Bosnian powder keg", Richard Holbrooke and Lord Ashdown stated of Dodik:

> "His long-term policy seems clear: to place his Serb entity, Republika Srpska, in a position to secede if the opportunity arises."

Bosnia is therefore at something of a tipping point. Either it can go forwards, build up its institutions and start down the road to eventual EU membership or—God forbid—it can regress into the Bosnia of yesteryear, a failed state riven by religious and ethnic hatred.

However, it is at this point that international resolve seems to be in danger of faltering. The long-term future of EUFOR, the European Union force tasked with maintaining stability in Bosnia and Herzegovina, remains uncertain. Its lifespan has now been extended for another year, which we welcome. However, given the delicate situation in Bosnia, will the Minister give us an assurance that the Government will continue to support EUFOR and the High Representative and that they will call on other EU states and the United States Administration to do the same?

There are, however, some positive signs in the Balkans. In Serbia, the elections in February resulted in the victory of President Boris Tadic, who was elected on a manifesto committed to improving relations with the European Union. Significantly, the nationalist elements in Serbia, having failed in the election campaign to convince the Serbian people of their vision of an isolated, inward-looking Serbia, have since turned on themselves and divided in two.

That leaves us with a real opportunity in Serbia to demonstrate the benefits of engagement with the outside world, including with the European Union. I would, however, offer this warning to the Minister. History tells us that these opportunities for progress in the Balkans do not last for ever. It is therefore important to resist those voices in some EU states that are tempted to speak out against further EU enlargement. If states such as those in the Balkans are led to believe that future EU membership is closed off to them for ever, they might look for an alternative future, in which the progress of the past few years could be dramatically unwound.

Since our last EU affairs debate, we have seen a sight that most of us hoped had been confined to archive film footage: Russian tanks rolling across a European frontier. The Russian action in August in invading the sovereign territory of its neighbour, Georgia, not only violated international law but ran contrary to its own express

sentiments at the United Nations a few months earlier. Whatever one might think of the Georgian actions on 7 August, the Russian invasion of Georgia was grossly disproportionate, and in breach of international law. That fact was rightly acknowledged by the Foreign Secretary, and we congratulated and supported him when he said that at the time.

The immediate response of the EU presidency was quite impressive, with President Sarkozy himself brokering a six-point ceasefire. Since the ceasefire, however, there has unfortunately been little real progress. Russian combat troops have not withdrawn to their pre-7 August positions. Russia has not allowed Georgian refugees to return to their homes and, in contravention of the ceasefire agreement, it has not allowed EU monitors into either of the disputed territories. In our view, it is therefore wrong that the EU—now with British Government support—should reward Russia by restarting EU partnership talks when the ceasefire that the EU brokered is not being honoured. The Government should also ask themselves what message that sends to the states that neighbour Russia.

Russia's action in Georgia should also bring home to the Russian leadership that there are real costs attached to its decision. First, Russia's diplomatic offensive to promote recognition of the independence of the two disputed regions of Abkhazia and South Ossetia has convinced only a few others, such as the regime in Nicaragua and that of Hamas, to support it. Conversely, states on which Russia thought it could rely—such as Belarus and members of the Shanghai Co-operation Organisation—have refused to comply with Russia's requests for support.

Secondly, as well as lacking clear support diplomatically, Russia has damaged itself economically. *The Financial Times* noted that, on 8 August, the Russian stock market "plummeted" 6.5 per cent. and that:

> "Mr. Putin's boasts about Moscow as a new global financial centre and the rouble as a coming international reserve currency have become a sad joke."

Since that time, the Russian stock market has fallen much further, with the Moscow RTS index standing today at 632 points, which is down from more than 1,800 on the day of the invasion.

Importantly, foreign capital had already started to flow out of Russia before the credit crunch had an impact on financial markets. *The Financial Times* estimated that foreign investors pulled out £32.6 billion between 8 August and 19 September. Moreover, when the crisis in the financial markets truly arrived some weeks later, trading on the Russian stock exchange had to be suspended on several occasions, partly because so much foreign capital was being withdrawn from the country. Russia will pay a price economically for its actions in Georgia. With the economic downturn and falling oil and commodity prices, Russia's actions in Georgia mask important weaknesses that Russia might now need international co-operation to help it to alleviate.

We wish to have a positive relationship with Russia. There are many potential areas of mutual interest. Russia needs a market for its oil and gas. It also needs investment, not least in its oil and gas industries. Russia surely does not wish to see the proliferation of weapons of mass destruction in the middle east and elsewhere. In all these areas, Russia and the west need each other's co-operation. We hope that Russia will come to realise that, and will act accordingly.

We debated economic matters today and a number of references were made to suggestions that some in government now advocate our membership of the single currency, the euro.

David Taylor: Will the hon. Gentleman give way on that?

Mr. Francois: I will do so briefly, as I have little time left.

David Taylor: Was the hon. Gentleman as disappointed as I was by the robust terms that the Foreign Secretary used about the long-term ambition to enter the eurozone, when the euro has so markedly failed on growth, on inflation, on unemployment and on its use as a reserve currency, compared with the pre-euro currencies in those eurozone countries and with the performance of sterling and other currencies worldwide? Surely it is a failed currency in that respect, notwithstanding the fact that in recent months the pound has come down very significantly against it.

Mr. Francois: Although I am tight for time, I am delighted that I took that very pertinent intervention. I shall not attempt to compete with my right hon. Friend the shadow Foreign Secretary in defending sterling, as there could be copyright issues there. All I will do is ask the Minister to clarify the exact position of Her Majesty's Government on the euro and to make it clear which Ministers, if any, were talking to President Barroso about the possibility of giving up the pound.

That brings me neatly on to the Lisbon treaty, which a number of Members mentioned this evening, including my hon. Friends the Members for Stone and for Ribble Valley (Mr. Evans). Thanks to the assiduous research of my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), we have at our disposal an English translation of the draft conclusions of the forthcoming EU summit. Interestingly, under the heading "Lisbon Treaty", there are only two letters—PM. I find it amazing that Lord Mandelson manages to get into just about everything to do with Europe at the moment. He somehow appears to have snuck into the draft conclusions of the European summit.

In our last debate on Europe, I had the pleasure of congratulating the Irish first on being allowed a referendum and then on having the courage to vote no in that plebiscite. Unfortunately, as some predicted at the time, they were not to be allowed to get away with that show of blatant democracy. The chair of the European Parliament's constitutional committee, Mr. Leinen, said recently:

> "A second No would be a No, and then of course you could forget about the Treaty. But a first No is volatile, let's say, because it's not a clear No against Europe. Here you have a diffuse coalition of Nos. We respect it, but we have to respect as well the Yes of the other member states."

In other words, when it comes to European integration, a yes means yes and a no also means yes. However, there are some senior people in Ireland who have begun to realise that the Irish people should be listened to. Ireland's own EU commissioner, Charlie McCreevy said:

> "The Irish people said No—and that decision has to be respected by our European partners as well... Over 53 per cent. of the Irish electorate turned out, and a considerable segment of them were people who hadn't voted in the 2007 Irish General Election. So therefore, people did take the issue very seriously. That has to be respected."

[Mr. Francois]

The Irish, however, are not being respected by the British Government, and if the British Government will not respect the outcome of a democratic referendum in Ireland, that should come as no real surprise, because the Government have gone to incredible lengths to deny the British people a vote of their own. As you will recall, Mr. Speaker, all parties, including the Liberal Democrats, promised a referendum on the EU constitution, which is, in effect, the present Lisbon treaty. Of those, the Conservative party is the only one to keep its promise and vote in the House for a referendum. It would be utterly undemocratic of Gordon Brown to insist that the Irish people must vote twice, while denying the British people the chance to—

Mr. Speaker: Order. The hon. Member must refer to the right hon. Gentleman as the Prime Minister.

Mr. Francois: Mr. Speaker, it would be utterly undemocratic of the Prime Minister to say that the Irish people should be allowed to vote twice while the British people have not been allowed to vote even once. Ultimately, democratic institutions can survive only with the consent of the people, and this is not the way to go about fostering such consent. It is, if anything, quite the opposite. The Prime Minister should not participate in any attempts, either overt or covert, to bully the Irish people to vote again on a matter on which they have already expressed a very clear opinion in a free and fair referendum. Throughout the Lisbon treaty debates in the House, we consistently argued that we should restore faith in politics and we should let the people decide. That remains our view.

9.45 pm

The Minister for Europe (Caroline Flint): I thank the House for a lively and interesting debate in which we heard 10 speeches from Back Benchers and three from Front Benchers. Apart from the hon. Member for Stone (Mr. Cash), every speaker seemed to be asking the European Union to do more rather than less.

It has become clear to me, especially during the two months for which I have had this job, that if the European Union did not exist, we would need to invent it. The current financial crisis has demonstrated that over and above what a national state can do, there is sometimes a need to work across countries. The EU provides one vehicle for that. However, on another level—the global level—it will give us greater strength, as 27 member states, to fight our corner on the changes that must be made globally to ensure as far as possible that the present financial situation can never arise again.

I believe it has been vital to Britain's national interests that the Government have engaged constructively in Europe for the last 11 years. By doing so, we have secured the influence necessary to ensure that the EU delivers for British families and businesses. I pay tribute to the civil servants who work as United Kingdom representatives to Brussels—they are known as UKRep—and to our staff in embassy posts around the world, but particularly within the European Union and in the wider Europe. I commend the role that they play in representing our interests and, when Members of both Houses visit their countries, giving them constructive opportunities to find out more. I also commend the British Council, for which I have some ministerial responsibility.

I believe there is a consensus around the world that we need concerted action to tackle the current global problems, and I believe—as I have said—that, now more than ever, the EU has a vital role to play in the global action that we need. It is vital that we see strong support for a co-ordinated EU action at the Council. The European Commission's European economic recovery plan shows that the Government were right, and are right, to take bold action in the pre-Budget report. I am thinking particularly of measures such as the temporary lowering of VAT and the front-loading of public capital expenditure, as well as support for small businesses. The Government also welcome the Commission's moves towards fostering a low-carbon economy.

The Commission has made it clear that the economic recovery plan offers a menu of options. I have visited countries in the European Union over the past eight weeks, and it was clear to me that the circumstances that they faced were not exactly the same. In some countries the banking situation is not as difficult or challenging as it is here or elsewhere, while others have problems in terms of exports and a tightening of credit. However, everyone in all the countries that I visited was worried about the impact on jobs and family livelihoods. Like the Prime Minister, Chancellor Merkel welcomed the economic recovery plan, and I can assure the House that we continue to co-operate closely with our German colleagues and others throughout the EU.

It was suggested during the debate that our VAT action was wrong. I reject that suggestion. It is a measure that we can implement rapidly; it will have an immediate impact on purchasing decisions of both firms and individuals; and it is reversible. But I do not need to give it my support to convince the House. I look to the right hon. and learned Member for Rushcliffe (Mr. Clarke), who said in *The Times*:

> "If it's possible to afford a fiscal stimulus I would go for VAT because the only case for a fiscal stimulus is to stimulate spending and consumer demand, so the tax on spending is the one to go for. But it should be temporary."

I think that our actions are fully in line with the comments of the right hon. and learned Gentleman—whose comments on this issue we always welcome—and with the views of the European Union more generally. I understand that the right hon. and learned Gentleman is among the minority of Conservative Members who happen to be in favour of it.

Let me make it absolutely clear that we have no plans to join the euro. The Government are focused on doing all that they can to support British families and British businesses through the downturn. The five tests still apply, and will continue to constitute the standard by which the Chancellor and Her Majesty's Treasury consider the question of eurozone membership. In the event of a future assessment supporting UK entry to the euro, the decision will be made only if the Government and Parliament agree that it would be in the UK's best interests. The UK would then join the euro if the public voted yes in a referendum. I have no idea which, if any, Ministers have been speaking to Commissioner Barroso on this matter.

It was also suggested that somehow we had let France off the hook on common agricultural policy reform. I can assure the House that no one has been let off the hook, least of all France. An increasing number of member states support our vision for CAP reform, and I am sure we will come back to that in 2009 as we look forward beyond the current situation that we are having to deal with, to what further reforms we should make to the EU budget.

I was pleased to hear that there was a general consensus across the House in support of the climate change package. Alongside security of the energy supply line to the EU, it is important that we get this right at the Council later this week. It is an opportunity to demonstrate to our citizens, and to President-elect Obama and the rest of the world, that we in the continent of Europe take the dangers of climate change seriously and that we know that the costs of not acting will only increase. This is important for our planet, but it is also important to offer consumers more choice—and more choice at an affordable price. If the EU wants to continue driving the climate change agenda and to demonstrate its commitment to a low-carbon future, it is crucial that we agree an ambitious 2020 package at the Council. Failure to do so would seriously damage EU credibility, but it would also cost us more in the long run if we missed this opportunity at this time. It is clear to me and to others in the Government that the economic downturn is not a reason to lower our ambitions. If we do not take action urgently, climate change will have a far greater economic impact than the financial crisis.

My right hon. Friend the Member for Leicester, West (Ms Hewitt) asked about the earmarking of auction revenue. I am afraid to have to say to her that the Government oppose proposals for earmarking revenues generated from auctioning because this would cut across an important budgetary principle and would not respect subsidiarity in the division of competences between the EC and member states. We also believe it is an inefficient means of determining public expenditure. Having said that, this does not mean the UK is against financing international climate action. We are ambitious that member states prepare for Copenhagen by showing how an international climate agreement can be financed.

There were a number of references in the debate to the European Union's contribution to our security and defence. The EU is uniquely placed to respond to a number of different crises as they present themselves, through civilian experts, development budgets, economic and diplomatic instruments, trade, policing and military capabilities. As my right hon. Friend the Foreign Secretary said at the start of the debate, it is clear that we have support from our American colleagues. President Bush said:

"Building a strong NATO Alliance also requires a strong European defence capacity."

I have no reason to believe that that will not also be the view of President-elect Obama.

At the end of 2008, the EU provided 3,000 civilians—more than 130 British nationals—across 10 civilian missions. We should applaud the contribution of those people from different walks of life, who make a real difference to our peace and security. Questions were raised about some of the missions. The right hon. Member for Richmond, Yorks (Mr. Hague) asked about EULEX and how it might work in respect of police officers in the Serbian enclaves. My understanding is that the mission began deployment through the whole of Kosovo today and initial reports from the mission on the ground are that it has been well received by Serbian police officers. As the right hon. Gentleman is aware, EULEX is designed to be a single rule of law mission covering the whole of Kosovo and we will continue to encourage that, and we hope it takes place and continues to be successful.

There have been a number of references to the situation regarding Russia and Georgia. The hon. Member for Spelthorne (Mr. Wilshire) made a thoughtful contribution on that. He reflected on how difficult these situations are, and on how difficult it can be to arrive at some of the truths about what took place and who has been party to different activities. We have been clear that Russian actions in Georgia were disproportionate and unjustified—we made that clear at the highest levels—but also Georgia's military steps on 7 August were perhaps not completely wise or considered in this situation. We also made it clear that we support the EU decision to support an impartial, independent investigation into the conflict. That should look at issues around human rights violations and at whoever has committed them being held responsible for them.

The hon. Member for Spelthorne also raised the issue of the role of the EU monitors, and other hon. Members contributed to the discussion. The EU monitors are playing an important role in ensuring that the ceasefire is upheld in South Ossetia. The EU and the Organisation for Security and Co-operation in Europe continue to press for their monitors to have access to South Ossetia. By issuing passports in South Ossetia and Abkhazia, Russia is violating Georgian sovereignty. We support Georgia's sovereignty, which has been reaffirmed by several UN resolutions, and we should remind ourselves and others that Russia has signed up to those.

On Bosnia and Herzegovina, as the hon. Member for Rayleigh (Mr. Francois) will know, my right hon. Friend the Secretary of State, and his Czech counterpart, wrote to all leaders in the EU, and he recently visited both Bosnia and Herzegovina and Serbia. We take this matter very seriously; I met the High Representative in London at the previous General Affairs and External Relations Council meeting, and, in fact, he travelled with my right hon. Friend back to Bosnia. We welcome the extension of the UN mandate of the EU force in Bosnia, and any decision on a future reduction of the force should take into account the political situation on the ground in Bosnia.

The hon. Member for Kingston and Surbiton (Mr. Davey) asked some questions about the Democratic Republic of the Congo. We welcome and support the political process, including the dialogue between the DRC and Rwanda. As hon. Members will be aware, the UK co-sponsored the UN Security Council resolution calling for a 3,000-strong reinforcement of the United Nations mission in the Democratic Republic of the Congo, and we encourage countries to offer troops for that purpose. That is certainly what the countries that he mentioned could do if they wanted to offer some military capacity. The EU is considering how to respond to Ban Ki-moon's recent letter, and we obviously take a keen interest in the difficulties in that part of the world.

[Caroline Flint]

A number of speeches were made about enlargement. On the whole, I think that enlargement is a European Union success story, and it is one of the few areas on which there is agreement across the House. As the comments made by a number of hon. Members made clear, enlargement also has to come with change in the countries with which we are working. Before I came to this post, I had started as a Minister in the Home Office, where I had responsibility for reducing organised crime and I held the international and European brief. It is therefore interesting to visit some of the countries that I visited five years ago to see what progress has been made and what further progress needs to be made; on the whole, I think that EU membership has been good.

My right hon. Friend the Member for Cynon Valley (Ann Clwyd) made a speech about the people who are affected by the policies that we undertake through the European Union and through our engagement with countries on the wider continent of Europe. I shall be visiting Ankara next week, and I assure her and other hon. Members that the UK should be not only a champion of Turkey and its journey to enlargement, but a strong friend. Strong friends can sometimes tell their friends when things are not going as well as they should be and when matters need to be put right. On that and other matters, I shall continue to take that approach with Turkey and our other friends in Europe.

The hon. Member for Enfield, Southgate (Mr. Burrowes) mentioned Cyprus, which I was pleased to have visited in my first week. We will stand by ready to do anything we can to support the process, but there needs to be an agreement by Cypriots for Cypriots. Again, we shall ask Turkey to support the negotiations as they are taken forward.

On the Lisbon treaty, what is clear is that the Irish people have spoken and their views must be respected. I reject the idea that I, other Ministers or any other member of this Government are bullying the Irish in any way. We will hear at the Council this week what Brian Cowen has to say. *[Interruption.]* The treaty in fact strengthens the principle of subsidiarity and gives a greater say to Parliaments. One thing that we must do is ensure that we can move forward, and we do not support a re-opening of the treaty.

In the few seconds that I have left, I wish to say that I agree with what hon. Members said about Strasbourg; I think that the arrangements are a massive waste of time and money, and we will continue to push the case for reform in that area.

Finally, I wish to say that a united European position can shape a global response to the most pressing of the current global challenges. My hon. Friend the Member for North-East Derbyshire (Natascha Engel) made a speech to counter the cynicism of those who find any excuse to damn whatever happens in the European Union. The fact is that, like many institutions, the European Union does not always get it right. I do not think it is our task to get people to love the European Union, but we must get them to understand and provide an input into what added value as an institution it can provide. Being at the heart of Europe gives the UK greater global influence and the best chance to deliver—

10 pm

Motion lapsed, (Standing Order No. 9(3)).

Business without Debate

CORPORATION TAX BILL

Ordered,

That the Corporation Tax Bill be proceeded with as a tax law rewrite Bill.—*(Ian Lucas.)*

DELEGATED LEGISLATION

IMMIGRATION

Ordered,

That the Statement of Changes in Immigration Rules (HC 1113), be referred to a Delegated Legislation Committee.—*(Ian Lucas.)*

SOCIAL SECURITY

Ordered,

That the Employment and Support Allowance Regulations (S.I., 2008, No. 794), dated 25 March 2008, be referred to a Delegated Legislation Committee.—*(Ian Lucas.)*

Ordered,

That the Social Security (Incapacity Benefit Work-focused Interviews) Regulations (S.I., 2008, No. 2928), dated 10 November 2008, be referred to a Delegated Legislation Committee.—*(Ian Lucas.)*

SECTION 5 OF THE EUROPEAN COMMUNITIES (AMENDMENT) ACT 1993

Ordered,

That, for the purposes of its approval under section 5 of the European Communities (Amendment) Act 1993, the Government's assessment as set out in the Pre-Budget Report 2008 shall be treated as if it were an instrument subject to the provisions of Standing Order No. 118 (Standing Committees on Delegated Legislation).—*(Ian Lucas.)*

BUSINESS OF THE HOUSE

Ordered,

That Private Members' Bills shall have precedence over Government business on 27 February, 6, 13, 20 and 27 March; 24 April; 8 and 15 May; 12, 19 and 26 June; 3 July and 16 October.—*(Ian Lucas.)*

BUSINESS OF THE HOUSE (CONSOLIDATED FUND BILL)

Motion made,

That, at the sitting on Tuesday 16 December, any Consolidated Fund Bill ordered to be brought in and read the first time shall be proceeded with as if its Second Reading stood as an Order of the Day, and Standing Order No. 56 (Consolidated Fund Bills) shall apply.—*(Ian Lucas.)*

Hon. Members: Object.

Mr. William Cash (Stone) (Con): On a point of order, Mr. Speaker. I understand from reports that the review by the British Transport police boss, Ian Johnston, into the police handling of the case relating to the entry of the House the other day has now been handed to some people. I was given to understand that a copy has been made available in the House of Commons, but the Library does not appear to have it. I would be most grateful if you could make inquiries and ensure that it is available to all hon. Members, and put in the Library, if it has indeed been received in the House. I think that some of us would be very interested in it.

Mr. Speaker: I do not know the facts of this matter. The best that I can do is to ask the Officers of the House to look into this matter and report back to the hon. Gentleman.

Life Skills (National Curriculum)

Motion made, and Question proposed, That this House do now adjourn.—*(Ian Lucas.)*

10.2 pm

Mr. Graham Allen (Nottingham, North) (Lab): If our babies, children and young people do not grow up with adequate social and emotional skills, we are storing up immense problems for our future. Some of the symptoms are teenage pregnancy, antisocial behaviour, drug and drink problems, a lifetime on benefits and educational underachievement.

Social and emotional skills are the bedrock of humanity —the key to turning all these current problems around and producing young people who not only will achieve educationally, hold down a job and be good citizens, but, perhaps most importantly of all, will be the great parents of tomorrow, thus breaking the intergenerational cycle of underachievement and dysfunction that so blights constituencies such as mine. It is therefore with great pleasure that I congratulate Ministers and officials in the Department for Children, Schools and Families on driving the changes in the national curriculum that will mean that, in the years 11 to 16, life skills will be properly taught to all those who need them.

I have already been to see the new Minister about this issue, and I know of her deep commitment to and interest in this subject. She knows that I mean no disrespect to her when I pay a special tribute to her predecessor, the Minister for Schools and Learners, my right hon. Friend the Member for South Dorset (Jim Knight), who painstakingly pioneered the thinking that led to this breakthrough, which will have such stunning implications for the children in my constituency and elsewhere.

However, I have one minor criticism to level at the Minister, which I hope that she will take in the spirit in which it is offered. Can we please not talk about PHSE, SRE and all the other baffling professional acronyms that make education policy so impenetrable? This more than any other subject is something it is essential for parents to understand, as it is about developing the skills that will help our young people navigate through the difficult times and decisions of their lives. In the couple of years before the proposals are implemented nationwide, will the Minister have a think about whether we can please call the subject 11-to-16 life skills, so that everyone knows what we are trying to achieve?

We are already using the expression "11-to-16 life skills" in Nottingham, and it is one intervention of about a dozen that make up Nottingham's early intervention package. That package involves a circle of measures from birth to 18, based around the whole life cycle, that can then be repeated until the intergenerational cycle of underachievement is broken.

We are delighted that the Government have given added weight to our local efforts by ensuring that 11-to-16 life skills will now be included in the national curriculum, probably starting in September 2011. In Nottingham however, we cannot wait. Every year we wait means 214 more teenage pregnancies in my constituency, another 1,000 young people leaving school without the qualifications they should have obtained, more victims of drug and drink abuse and more wasted opportunities and lives. So, we intend to start our

[Mr. Graham Allen]

11-to-16 life skills curriculum with next September's secondary school intake. We will start with two of our new academies, plus any secondary schools whose heads wish to get their young people prepared ahead of the Government's timetable.

We would appreciate continuing Government encouragement at both ministerial and official level. I pay tribute to the officials in the Minister's Department for the help and advice that they have already given us. Led by our excellent new director of children's services, Ian Curryer, we intend to seize the advice and opportunities on offer and to make the fullest use of them. In her reply, will the Minister perhaps let us know what assistance —not financial assistance, but help and encouragement— the Department can offer as we seek to pioneer the curriculum?

We will also develop locally, but with help from the Qualifications and Curriculum Authority and others such as the Department, the curriculum content of 11-to-16 life skills. There is no reason why we cannot come up with a synthesis of secondary SEAL—social and emotional aspects of learning at secondary school—sex and relationship education, personal, social and health education, citizenship and so on that is more than the sum of its parts and genuinely helps build the social and emotional capabilities of our teenagers. Perhaps the Minister could help us to pilot that curriculum, since lessons for the Government's roll-out will surely become evident if we start early in Nottingham.

Just as we initiated primary SEAL, the local strategic partnership, One Nottingham, will put in whatever resources it takes to give 11-to-16 life skills the support they require. We expect a project initiation document to come to the One Nottingham board in January with proposals on the roll-out of 11-to-16 life skills and a funding request to back them up. The proposals will include the in-depth training of a critical mass of teachers who can confidently and clearly pass on the core life skills that our young people need. Can the Minister tell us what assistance might be available to give the teacher training required? We will fund it, but we need the Department's expertise behind us.

Partnership working is central to our success. Life skills are a public health issue and a crime reduction issue. They impinge on housing, employment and communities. They are everybody's problem. For many young people, 11-to-16 life skills will be a natural progression from the primary SEAL programme, which has been implemented in every primary school in our city. That programme teaches young people how to interact with their fellow pupils, to learn the skills they need to progress and to resolve arguments without violence as well as many other basic concepts that, sadly, all too many do not learn at home. Taking primary SEAL forward into 11-to-16 life skills should be a seamless transition, giving many of those youngsters the skills that they do not currently get at home.

For young people at secondary school in many areas, it may not appear necessary to teach what it is like to have a family, what the responsibilities are when they have a baby of their own or what it is to have and sustain a relationship. Many of these things are second nature to most people in the UK because of how they have been parented. Sadly, there are other places where they have to be taught, and if children are not given the chance to learn them either at home or at school, the whole of our society will reap the consequences. The high level of teenage pregnancy may be the most obvious consequence, but as children's young lives unfold, many other symptoms become apparent. Young people who are marginalised and excluded from learning will tend to disrupt classes, while others will interact all too often with the criminal law in their teenage years.

We should beware of having a false division between social and emotional capabilities and academic abilities. All those calling for improved social and emotional education want higher academic attainment, but the latter can never be sustained without the former being in place. Pressure, exhortation and supervision can crank up scores only so much; the key to continued success for every child, not just those close to some arbitrary benchmark, is to produce, from the earliest years, better raw material. Social and emotional capability is the bedrock on which all academic achievement is founded and can grow.

The Department must be careful that, in its understandable pursuit of academic standards, it does not unwittingly squeeze out of the local curriculum, particularly in challenged schools, the very social and emotional learning on which rising and sustainable academic attainment must be based. Capable, bright, interactive, rounded children will always attain academically to a much greater degree than those who do not have the social and emotional basics.

Those basics need to be taught to children, ideally by effective parenting, particularly in the 0 to 3 age group, and any deficiencies must be made good by early intervention, before and during the school years. I hope that the Minister will comment on how secondary heads already struggling to meet the standards agenda can be helped to make room and time for the social and emotional skills upon which rising standards must be built.

In proposing 11-to-16 life skills for all, the Government are to be congratulated on thinking strategically. It is the Government's role not only to react to crises, such as a child abuse case or poor GCSE results, but to look at the long term. They must enact the strategy that will build out the problem and break the intergenerational repetition of ignorance and failure. The Government did that with Sure Start, and they are now doing the same thing with 11-to-16 life skills. They are a small step away from completing the jigsaw and proposing nationally a holistic early intervention package. We have modelled such a package in Nottingham and have tried to establish a 0-to-18 cycle of interventions in our city. Perhaps there are lessons to be learned from what we have done. By putting in place arrangements such as I have described, we will not only secure the future for every current child, but by creating the great parents of tomorrow, we will break once and for all the intergenerational cycle in constituencies like mine.

I shall conclude by congratulating Ministers in the Department again on their foresight in bringing forward proposals for an 11-to-16 life skills agenda in the not-too-distant future. In my city of Nottingham, we are trying to pioneer these ideas even before they come into law under legislation passed by this place, and I hope that we will continue to have Ministers' support. There has been a great partnership effort in our city and we

have made great progress, but we continue to need Government support. If we get that support, the prize is a fantastic one. It is that children growing up today can become the most fantastic parents of tomorrow. That will help to reduce the massive amounts of time, effort, energy and money that would go into picking up the pieces if we neglect the future of our young children.

Thank you very much, Mr. Speaker, for hearing the debate tonight.

10.14 pm

The Parliamentary Under-Secretary of State for Children, Schools and Families (Sarah McCarthy-Fry): I congratulate my hon. Friend the Member for Nottingham, North (Mr. Allen) on securing this debate on an issue with which he is very much involved; he has been to see me about it. I thank him for his work on the subject. I am sure that it is work for which his constituents are very grateful.

In the children's plan, we committed to giving every child a world-class education, and to making this country the best place in the world in which to grow up. As far as I am concerned, the two must go hand in hand; we cannot have one without the other. Qualifications are extremely important—never more so than in the highly skilled 21st-century job market that Sandy Leitch projected two years ago. The power of education lies in shaping futures, and in giving people better and brighter prospects. Knowledge and technical skills must go hand in hand with life skills.

Children cannot learn to their full potential if they are not safe, secure and happy. To achieve at school, they need a good group of friends, a stable home life and encouragement from their parents or guardians. Where young people do not have that support, we look to local services, including schools, to provide stability and structure.The ability to relate to others better, to be organised and punctual, and to manage conflict is essential to fulfilling and satisfying relationships. In a rapidly changing society of instant communication, with new career possibilities and developing leisure pursuits and methods of social interaction, we need to make sure that we give young people the skills that they need to develop, and to make the right choices in every aspect of their lives, so that they can become confident adults and responsible citizens.

To respond to the changing world around us, we have introduced a new secondary curriculum. Teachers are the best judges of their pupils. They know about their interests, aptitudes and backgrounds, how to get the best out of them, and how to make the most of the resources available in their schools and localities. We have retained all the national curriculum subjects, and have put an emphasis on the core subjects. We have introduced functional skills, so that high standards can be achieved with regard to the central aspects of learning. However, within that framework, the new curriculum allows teachers greater flexibility to tailor their learning programmes to the specific needs of their pupils.

There is more time for students who need a bit of extra support to catch up, and for those who need it to receive vital one-to-one tuition. There is more space for the most able to pursue their learning more independently, so that they can get ahead. The curriculum also builds in more time for the valuable skills that my hon. Friend talked about, so that we can encourage all young people to develop their personal, learning and thinking skills, and the social and emotional skills needed for learning, personal development and well-being. The new secondary curriculum will encourage students to make connections between subjects through curriculum dimensions. Unifying themes such as cultural diversity and identity, healthy lifestyles, and enterprise and entrepreneurship not only make lessons more relevant and engaging, but help young people to make sense of subjects and how they relate to the world around them.

The new personal learning and thinking skills framework will ensure a more consistent approach to softer skills such as perseverance, confidence, resilience and learning to work well in a team. By fostering more independence in learning, and with a real focus on the broader skills essential to life and work, we are investing young people with more responsibility to make choices on all aspects of their lives, including their education, health and safety, from an earlier age. By raising the participation age in education, employment and training, and by opening up new learning routes for those aged 14 to 19, we are ensuring that every young person studies for longer in a relevant and engaging way that best suits them, and can gain a range of broader skills that will see them to success.

Increasingly, as employers and others in the community become more involved with 21st-century schools, young people are benefiting from a wider range of activities. Enterprise education, work experience and after-school activities such as sport, music and drama are all helping young people to relate to one another, to develop their communication skills, and to work well in a team. All are vital skills for later life.

However, our vision of 21st-century schools goes beyond attainment and professional skills. It is a vision of a learning community, in which services can come together around a child to support them in all aspects of their growth and development. Better links between children's services and schools are helping to provide more consistent support to all young people, and more targeted support to those who need it. The larger the number of professionals talking to one another, the greater the capacity for spotting problems early and intervening.

I commend my hon. Friend the Member for Nottingham, North for his work on early intervention in Nottingham, which is designed to deal with the specific challenges faced by his locality. I wish him every success with the implementation of the 11-to-16 life skills curriculum in Nottingham. In response to his inquiry about what further support my Department can provide, we have already offered a bespoke programme for Nottingham to support the implementation of the curriculum, and that offer now lies with the local authority for consideration.

As for a curriculum which combines PSHE, citizenship, SRE and other elements, I am delighted that schools in Nottingham wish to develop their own curriculum, which is specifically tailored to the needs of local pupils. The bespoke programme on offer will support schools in designing the whole curriculum to meet the needs of their pupils, and in developing particular subjects or groups of subjects within the overall curriculum framework. A more flexible secondary curriculum, new learning routes and broader activities in schools are therefore helping young people to relate their academic studies to

[Sarah McCarthy-Fry]

the real world. The new PSHE education programme of study will give young people the opportunity to study life skills and issues in their own right, and to tackle some of the issues they face as they enter adulthood—finances, health, and sex and relationships.

PSHE is an extremely important subject, and it should not be treated as secondary to the rest of a young person's education. That is why we recently took the decision to put PSHE on a statutory footing, and we have asked Sir Alasdair MacDonald, head teacher at Morpeth secondary school in Tower Hamlets, to conduct an independent review into the best way to do that. My hon. Friend has asked whether PSHE or SRE could be called "life skills". Although Sir Alasdair has not specifically been asked to look at that question in the review, I am sure that he will make recommendations on the way in which we describe that important area of education if there are good reasons for doing so.

As we develop the statutory core entitlement, we will take as our starting point the existing non-statutory programmes of study for personal and economic well-being in key stages 3 and 4. For key stages 1 and 2, the review will take account of Jim Rose's work on PSHE as part of the primary curriculum review. Jim Rose's interim report, published yesterday, recommends the strengthening of the personal development element of the curriculum by building a framework for the personal skills and attitudes that all children should develop throughout their schooling. That would come under the area of learning called "Understanding physical health and well-being". By making PSHE statutory, we will ensure greater consistency across the national picture, so that all young people benefit from those vital skills.

All PSHE programmes must be flexible enough to allow individual schools to tailor their curriculum and teaching to their own pupils and parents, and to the ethos of the school. As my hon. Friend rightly pointed out, training and support for teachers is crucial. We have made £2 million of funding available each year to train teachers and professionals delivering PSHE in schools. We will also encourage schools to use in-service training to improve staff awareness of the duty to promote well-being, particularly the importance of high-quality PSHE.

We are working with the Training and Development Agency for Schools to develop a specialist route through initial teacher training, and we will update the existing SRE and drugs and alcohol education guidance for schools. Wider Government programmes such as the duty to promote well-being, and the healthy schools agenda will be used to drive improvements in PSHE. My hon. Friend asked how we help head teachers to make time for social and emotional education while they are working to meet the standards agenda. In my mind, the two go hand in hand. Wider learning, development and well-being are a vital part of raising standards in schools to provide a first-class education for our young people.

The school report card will provide stronger accountability to parents and local communities on how their schools are progressing across the board. The consultation on report cards that we launched yesterday will look specifically at how schools promote wider well-being alongside attainment. As we consider school reform, we must remember the vital role of parents, who are an enormous influence when it comes to raising the aspirations of their children and instilling the values and behaviour that will stand them in good stead later in life. Given that children spend only 15 per cent. of their time in school, parents are our most important ally in their children's development. Through technology, personal contacts in school, and forums for parents to express their views, we are encouraging parents to become more involved in their child's education and development.

Mr. Allen: I have been following the Minister's remarks closely, and I am very encouraged. Heads in challenged schools often feel that they are regulated, supervised and overseen. If we make 11-to-16 life skills a central part of the curriculum, it will help to redress that balance, in which case heads should feel that both sides of the curriculum are equally important.

Sarah McCarthy-Fry: I could not agree more. That was certainly evident in the challenged schools in London that I have visited. In schools that have managed to make dramatic improvements in attainment, heads have said to me that tackling wider life skills, PSHE and behavioural attitudes has enabled children to raise attainment.

Engaging parents is a particular challenge in my hon. Friend's constituency and other, similar constituencies. Many children and young people do not get much support at home. For those children, school is a safe environment in which they can learn about these issues. Health, safety and personal awareness cannot be left to chance. It is absolutely vital that young people get the information that they need to make the right choices.

I was very moved by the DVD that my hon. Friend sent me outlining the intervention work in his constituency, which features teenage mums. I was struck by the point that all those teenage mums said that, despite loving their babies very much, had they known more about the consequences of certain behaviours, they would have done things very differently. They said that by being a young teenage mum, they had, in effect, missed out on part of their youth, which could have been avoided with the right information and support. It is vital that we provide that information in schools, but we also need to continue to reach out to parents as a vital resource in nurturing children's development in the round.

Education is not all about exam results and getting qualifications, important though that is. It is about developing an understanding of the world and one's place in it, and helping young people to make the right choices for success both now and in the future, and it is about ensuring a smooth transition from adolescence to adulthood. Tomorrow's society will be formed of today's young people. Investing in them is to invest in our nation's future, which is the soundest investment we can make. That is the power of education. Through the curriculum, teaching and wider activities, we can build 21st-century schools that will equip our young people for the challenges of 21st-century life and work, and we can make this country the best place in the world to live, to learn and to grow up in.

Question put and agreed to.

10.28 pm

House adjourned.

House of Commons

Wednesday 10 December 2008

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Calman Commission

1. **Mr. Andrew Robathan** (Blaby) (Con): What assessment he has made of the interim Calman commission report. [240210]

The Secretary of State for Scotland (Mr. Jim Murphy): The Calman commission was set up after a vote of the Scottish Parliament and supported by Labour, the Conservatives, the Liberal Democrats, trade unions and Scottish businesses. I welcome its interim report.

Mr. Robathan: Does the Secretary of State think that the current system of funding is fair to the rest of the United Kingdom, especially the north-east of England?

Mr. Murphy: I know that the hon. Gentleman has great affection and passion for the north-east of England, but the fact is that the funding settlement that has been established across the UK has been in place in a period during which Conservative and Labour Governments have been in power. The hon. Gentleman raises the type of issue that the Calman commission, through Anton Muscatelli's work with his expert group, will be considering, and it would be wrong of me to second-guess that process at this time. That work has to continue.

John McFall (West Dunbartonshire) (Lab/Co-op): I welcome the Calman report as a sound, thorough piece of evidential work. The evidence shows that in the financial crisis, with the loss of two of our dear banks in Scotland, Scotland on its own would not have been able to cope. *[Interruption.]* Is there not a case—*[Interruption.]* Is there not a case for looking at the evidence, working for devolution, and ensuring that we have good government in health, education and community care—all areas that are crying out for good policies, which the Administration in Scotland are not delivering?

Mr. Murphy: My right hon. Friend is typically right on the money. In his chairmanship of the Select Committee on Treasury, he shows great expertise in these issues. Despite the SNP heckling and haranguing him, the fact is that the £37 billion investment by the UK taxpayer in the two Scottish-based banks is more than the entire budget of the Scottish Government. That shows yet again that in good times the Union of the United Kingdom helps to make us all more prosperous, and in more difficult times it makes us safer and stronger.

Angus Robertson (Moray) (SNP): The Calman commission has not yet had time to consider the £1 billion of cuts announced by the UK Government, which will impact negatively on Scottish social services. With the Labour and Conservative parties working hand in hand in the Calman commission, is it not time for the Secretary of State to be honest about the Tory-type cuts that he is now in favour of?

Mr. Murphy: Not at all, because in the recent pre-Budget report we saw an additional £2 billion go into the pockets and purses of Scots. Across the country and across the world, Governments are trying to find ways to drive efficiencies. I will not take any lectures from the hon. Gentleman. His party argued for lighter regulation of the banking system, just as it started to collapse; his party argued for an oil fund, just as oil prices fell from $150 a barrel to $42; and his party argued that Scotland should be just like Iceland, when the International Monetary Fund was being called in to save the latter's economy.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Surely the Secretary of State cannot be telling us the accurate position when he says that the Royal Bank of Scotland and the Bank of Scotland were getting more money than the whole of Scottish Government. Surely those figures cannot be true. Could he tell us a little more about that?

Mr. Murphy: I would like to thank my hon. Friend for his question. The small number of SNP Members were heckling, so perhaps my hon. Friend was not able to hear. We are investing £20 billion of UK taxpayers' money in the Royal Bank of Scotland, and £17 billion based on the HBOS-Lloyds TSB merger proposals. That direct investment in those banks has led to the Royal Bank of Scotland taking an entirely sensitive approach to small businesses in Scotland, and where that bank has led, we look forward to other banks following.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): We share the Secretary of State's welcome for the Calman commission. Does he note the contrast between the application and thoroughness of the interim Calman report and the so-called national conversation, which appears to be little more than a taxpayer-funded blog site for insomniac nationalists? Does he share my disappointment not only with the content but with the tone of the First Minister's response to the interim report? Will he therefore use his best endeavours to persuade the First Minister that now is the time to show that he is a man not a mouse—to use the First Minister's own analogy—by abandoning the national conversation, which does not have the support of the Scottish Parliament, and by engaging, as many in the Scottish Government wish to do, in the Calman process?

Mr. Murphy: The hon. Gentleman is right to say that it is both surprising and disappointing that Scottish Government Ministers will not give evidence to the Calman commission. Of course, Scottish civil servants cannot give evidence to the Calman commission. He is absolutely right to say that if the Scottish Government continue to wish to see this process provide the high-quality

outcome that we all want, that position should change over the next few months. The hon. Gentleman is right: there are a number of insomniac SNP supporters across Scotland at the moment. That is partly because their economic dream has turned into a nightmare and their ambitions of Scotland being just another Iceland are really a nightmare come true.

David Taylor (North-West Leicestershire) (Lab/Co-op): I have particular warmth for Scotland and all the people who live there because I have Scottish blood in my veins and I represented a substantially Scottish ward on the local authority until I came to this place.

Further to the point made by the hon. Member for Blaby (Mr. Robathan), he and I represent constituencies in the east midlands of England that have a population not dissimilar to that of Scotland and a social, economic and demographic profile close to that of Scotland. However, public expenditure in the east midlands is 20 per cent. less per head than it is in Scotland. No one wants to take away from Scotland, but does the Secretary of State hope that one day the east midlands of England will rise to receive the largesse that those north of the border receive?

Mr. Murphy: My hon. Friend raises an important point. Anton Muscatelli looked in great detail at the funding balance and other issues, and the Calman commission will reflect on that and produce its proposals next year. Whether it is in Leicestershire, Lanarkshire or north or south of the border, the United Kingdom provides us with great prosperity in good times and great security in more difficult times. That is a situation that all of us in the House—except one, two, three, four, five and one other who is not in the Chamber at the moment—wish to continue.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Does the Secretary of State accept that today's exchanges highlight the need for the financial issue to be addressed and that central to that will be the tax-raising position of the Scottish Parliament? Does he recall the Prime Minister telling the CBI dinner in September:

"Devolution has worked, but I do see one problem...the Scottish Parliament is wholly accountable for the budget it spends but not for the size of its budget...That is why we asked the Calman Commission to look carefully at the financial accountability of the Scottish Parliament"?

Is that still a statement of Government policy and can we expect to see that reflected in future submissions from the Scotland Office to the Calman commission?

Mr. Murphy: I am sure it will come as no surprise to the hon. Gentleman to hear that the Prime Minister was speaking on behalf of the Government, and it is important for that to be the case. The Calman commission and Anton Muscatelli have looked at those specifics in precise and great detail. Today's exchanges have also shown the merit of having a dispassionate, thorough, detailed analytic piece of work such as that currently being produced by the Calman commission. We look forward to the commission's final report next year and we will continue to give evidence to it. I say again that I think the process would be stronger if the Scottish Government joined the UK Government and gave evidence to the commission.

Energy

2. **Miss Anne Begg** (Aberdeen, South) (Lab): What recent discussions his Department has had on Scotland's future energy needs. [240211]

The Secretary of State for Scotland (Mr. Jim Murphy): My Department and I are in regular contact with all sectors of the energy industry, including clean coal, oil and gas, renewables and the nuclear industry.

Miss Begg: I thank my right hon. Friend for that answer. I know that he will be playing a part in Pilot, the cross-industry, Government and trade union committee. Does he agree that the best way to secure Scotland's future energy needs is to ensure that we maximise the recovery of the oil and gas that we already know are in the North sea, particularly in the west of Shetland? What will he do to encourage the Treasury and the Department for Energy and Climate Change to ensure that we successfully get the gas finds that are already being exploited by Total and others in the west of Shetland basin to shore, so that they can fulfil Scotland's future energy needs?

Mr. Murphy: My hon. Friend speaks with great experience and a detailed understanding of the oil and gas industry, particularly in the North sea. I had the opportunity of visiting and speaking at the oil and gas supply chain conference last month. It is clear, as my hon. Friend rightly said, that a large proportion of the untapped oil reserves lie west of Shetland. I met Total and others when I was in Aberdeen to discuss that very issue. Those conversations need to continue within government and with the industry so that we can exploit that natural resource in the North sea for years to come.

Mr. Mike Weir (Angus) (SNP): Has the Secretary of State had a chance to look at the report on Scotland's energy by the Scottish Council for Development and Industry, which found that Scotland can meet

"its target of 50 per cent. of electricity from renewable sources by 2020"

but also that

"Scotland needs £10 billion of investment in new electricity generation between now and 2020"?

How does that fit with his Government's plan to cut £1 billion from the Scottish Government's budget?

Mr. Murphy: I have to remind the hon. Gentleman, as I did his hon. Friend the hon. Member for Moray (Angus Robertson), that a few days ago the pre-Budget report put £2 billion back into the pockets and purses of Scottish taxpayers. That is an important point to bear in mind. I know that the hon. Member for Angus (Mr. Weir) and his party have a virulent ideological opposition to the nuclear industry, but as he referred to yesterday's report by the SCDI, which he quoted selectively, perhaps I can add a quotation. The report also said:

"it is our view that nuclear power should be considered as a potential part of the longer term generation base in Scotland."

The SCDI speaks the truth.

Michael Connarty (Linlithgow and East Falkirk) (Lab): Does my right hon. Friend agree that one of the energy industry's problems is sourcing skills? Is he aware that

his right hon. Friend the Secretary of State for Innovation, Universities and Skills has earmarked £50 million for high-level skills training in the oil and gas industry, but that there is no such fund in Scotland? The Minister I wrote to in Scotland says that the Scottish Executive have no plan to deal with the problem in Scotland, but that they will bring out a report in the spring, two years after they were elected. Is it not a concern that Scotland may have to go to England to find trained, skilled workers to work in our energy industry?

Mr. Murphy: It is indeed a fact that the oil and gas industry in Scotland, as well as the energy sector more generally, needs access to the most highly skilled workers, not only from throughout the UK but from across the world. There is global competition for those highly skilled workers, which is why I, along with the industry, announced a working group to look into the issue. I share my hon. Friend's concerns that if the Scottish Executive cannot ensure that Scotland has the highest quality workers and apprentices to exploit the opportunities in the oil and gas industry, that will be a blow to the Scottish economy.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): Is the Secretary of State aware of the potential of marine energy in the Pentland firth to provide something in the order of 31 GW for Scotland's future energy needs? Is he further aware that, although the Crown Estate has started applications for the licensing process, applications are being limited to 20 MW and five years, which is possibly a barrier to future development? Will he use his good offices to speak both to the companies that are making applications and the Crown Estate to see whether a better method can be found for applications?

Mr. Murphy: I listened with great interest to the hon. Gentleman's genuine point. My hon. Friend the Under-Secretary and I recently met the Crown Estate, so I should be happy to meet him to discuss the issues that he raises. His point is important. For two centuries Scotland relied on its geology, through the exploitation of coal, for our energy. Now we increasingly have to rely on our geography, through the exploitation of natural resources, including wind and wave power.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): When he meets the energy companies, will my right hon. Friend raise the fact that although the prices of commodities in the market place have dropped like a stone in the past few months, that has not been passed on to consumers? What is he doing in that respect?

Mr. Murphy: It is entirely unacceptable if the energy companies do not pass on these lower prices to Scottish and UK consumers, and we will continue to press them on that point. Additionally, it is important that the social tariffs that have been announced are more highly publicised. They offer support for tens of thousands of Scots, and are worth hundreds of pounds. The energy companies must not only agree to the social tariffs but publicise them so that they can be taken up.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): Reference has already been made to the Scottish Council for Development and Industry report, but does the Secretary of State recognise that not only the business community but every other objective analysis suggests that if there are no new nuclear power stations in Scotland, the lights will go out? Can he offer any hope, not only on the security of energy supply in Scotland but on the economic benefits that the new nuclear development offers to constituencies such as my own, or does he share the nuclear industry's pessimistic view that, because of the actions of the Scottish Parliament, there is no prospect of new nuclear development in Scotland in the foreseeable future?

Mr. Murphy: I should like to say to the hon. Gentleman:

"We cannot afford for the Scottish Government to play fast and loose with the security and reliability of our future electricity supplies and run the risk of the lights going out in Scotland".

[Interruption.] Hon. Members may scoff, but those are not my words; they are the words of Liz Cameron, the chief executive of the Scottish Chambers of Commerce. The fact is that the Scottish National party Government are isolated on this issue. Business, trade unions and experts know that the nuclear industry must be part of a balanced energy policy in the United Kingdom and in Scotland.

Post Office Card Account

3. **Mr. David Hamilton** (Midlothian) (Lab): What discussions he has had with ministerial colleagues on the use of the Post Office card account in Scotland. [240212]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): My right hon. Friend and I have regular discussions with ministerial colleagues on a range of issues. I particularly welcome the awarding of the Post Office card account contract to Post Office Ltd.

Mr. Hamilton: I thank my hon. Friend for that answer. We should be talking about expanding post office services, and looking at the savings gateway project, which was announced by the Post Office last week. We should also be encouraging the roll-out of more free ATMs—many people are unaware that those operated by the Post Office are free. There are now only nine banks in my area, but there are 19 post offices, and we should also be considering expanding the post office network in such a way that it can become the people's bank.

Ann McKechin: My hon. Friend is absolutely right. The Post Office is a trusted brand that is considered reliable, safe and secure, and I am delighted that the pre-Budget report announced that the savings gateway account will be available through the Post Office. We estimate that about 725,000 people in Scotland will be eligible to open an account from 2010. We all know that, in times of economic difficulty, saving even a small amount of money can make a real difference to the quality of people's lives.

Jo Swinson (East Dunbartonshire) (LD): East Dunbartonshire has lost a third of its post offices in recent years, and others have been threatened. What other plans do the Government have to build on their belated, but very welcome, decision to save the Post Office card account, in order to deliver many more

Government services through the post office network and to give the remaining post offices a much more secure future?

Ann McKechin: I recently met Ian McKay, the director of Scottish affairs at Royal Mail, and I know that Royal Mail is considering bringing a number of innovative products to market through the Royal Mail services. It believes that it now has a sustainable network in Scotland, and it is working hard to ensure that the universal service is maintained. That is exactly why the Government have set up the Hooper review, which will report to the Government later this year on how we are going to sustain the universal service in the long term.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Is my hon. Friend aware of the discussions that are currently taking place on the possibility of post offices offering credit union services in their branches? The credit union movement is particularly strong in Scotland, and it is playing a particularly important role in the current financial situation. Will my hon. Friend ask her officials to look into this possibility, to see whether such an arrangement could bring added business into the post office network in our communities?

Ann McKechin: My hon. Friend has had long experience with personal debt advice services, and has supported them through his chairmanship of the all-party group on debt and personal finance. I fully agree that there is an important possible link-up between Royal Mail and the credit unions, and I would be happy to work with him to pursue that matter with Royal Mail.

Calman Commission

4. **Mr. Mark Harper** (Forest of Dean) (Con): Whether he has discussed the findings in the interim report of the Commission for Scottish Devolution with the First Minister. [240213]

The Secretary of State for Scotland (Mr. Jim Murphy): There are no current plans to do so.

Mr. Harper: I am very disappointed by that. The First Minister has a tendency to conflate the interests of the Scottish National party with the interests of Scotland. It would very much be in the interests of Scotland if Scottish Government civil servants were able to give evidence to the Calman commission. If the Secretary of State manages to have that conversation, perhaps he could use his undoubted charm to persuade the First Minister to remove the ban and let them give evidence.

Mr. Murphy: It is, as I said, both disappointing and surprising that Scottish Government Ministers will not give evidence; and Scottish Government civil servants cannot give evidence to the process. I want to strike a tone whereby I work with all Scots in Scotland's interests and I am just disappointed that that offer has not been taken up by the First Minister and the Scottish Government.

Mr. Ben Wallace (Lancaster and Wyre) (Con): It is clear that by next summer the Calman commission will have completed its work and a final report will be published. In the light of the fact that Scotland's First Minister and the Scottish National party are not really interested in better governance for Scotland—*[Interruption.]* We hear about the Tory-Labour pact, and I am in favour of pacts so far as the Union of the United Kingdom of Great Britain is concerned, as opposed to the arc of insolvency offered by the SNP and its swivel-eyed supporters. Will the Secretary of State please tell us his plans for the Government timetable when the final report is published in the summer?

Mr. Murphy: We cannot dictate to the Calman commission the timetable for the publication of its report, but we continue to engage with it and we will respond to it. The fact is that Scotland gets the best of both worlds: it has the benefit of a devolved Parliament in Edinburgh and the security of the UK Parliament, which provides a sense of security and stability in these very difficult times.

UK Fishing Quota

5. **Mrs. Anne McGuire** (Stirling) (Lab): What recent representations he has received on the management of the UK fishing quota in Scotland. [240214]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): My right hon. Friend and I have not received any recent representations on the management of the UK fishing quota in Scotland, but I am aware of current industry concerns.

Mrs. McGuire: Does my hon. Friend agree that the current EU proposals on fishing quotas will have a devastating impact on the west coast and island fishing communities in Scotland if they are not vigorously challenged and changed at the Fisheries Council on 18 and 19 December? Will she further suggest to Ministers in the Scottish Government that, at this crucial time, some of their proposals such as dual registration have more to do with a separatist agenda than with benefiting fishermen in Scotland?

Ann McKechin: My right hon. Friend has always taken a keen interest in the western isles and the fishing industry there. Our focus next week is on the year-end negotiations and, despite the different policy approaches, we will not jeopardise the UK position in them. We are working closely with all Administrations within the UK. Last week, my hon. Friend the Under-Secretary of State for Environment, Food and Rural Affairs, who has responsibility for fisheries, and I met west coast fishermen to discuss what viable alternatives we could offer at next week's negotiations. We believe that we are working hard to put forward a package that will preserve fishing in the west coast.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Will the Minister join the Scottish Government in supporting Scottish fishing communities and retain the quota in Scotland? We know that the Minister has been silent on the staggering £1 billion of cuts that Labour's pre-Budget report will deliver to Scotland. We know of the £120 million of consequential prison spending to come to Scotland and of the HBOS measures, but there has again been silence, endangering 20,000 jobs in Scotland—*[Interruption.]*

Mr. Speaker: Order.

Ann McKechin: I am surprised that the hon. Gentleman takes so little interest in his own fishing communities and refuses to listen to them when they have made it quite clear that they do not want any change in the current fishing quotas system or the terms of the ability to transfer licences within the UK. We are not prepared to take risks with the UK fishing industry as a whole and we are working hard, along with the industry and all the other devolved Administrations, to achieve the best possible deal next week. It is time that the SNP Government, rather than producing a Christmas card with a fishing boat on top of it, actually spoke up for fishermen.

Dr. Gavin Strang (Edinburgh, East) (Lab): Does my hon. Friend agree that although it is vital to secure in Brussels the best results in the fisheries negotiations on quotas, it is also important to secure an extension of local fisheries management schemes so that we can move away from the policy of discards that requires fishermen to throw fish out of quota back into the sea? We need to make real progress for our fishermen and real progress on conservation.

Ann McKechin: I thank my right hon. Friend for that question. I very much welcome the agreement that has just been reached between the EU and Norway, which will mean a significant reduction in discard in North sea fishing, while at the same time see 30 per cent. more fish from Scottish fleets delivered to Scotland. That represents the success and strength of a united approach to the discussions.

Great Britain Football Team

6. **Pete Wishart** (Perth and North Perthshire) (SNP): What recent discussions he has had with ministerial colleagues on the creation of a Great Britain football team for the 2012 Olympics. [240215]

The Secretary of State for Scotland (Mr. Jim Murphy): I met my right hon. Friend the Secretary of State for Culture, Media and Sport last month. I am passionate about our national sport and national team. If there is to be a one-off under-23 football Team GB at the London Olympics, I want to make sure that it does not affect any of the home nations.

Pete Wishart: Will the Secretary of State not get it into his skull that the Scottish Football Association, the tartan army and the vast majority of Scottish football fans want nothing whatsoever to do with his Team GB, and that his and the Prime Minister's attempt to bully Scotland into a Team GB threatens the very continuation of the Scottish football team? Will he now take the advice that Sebastian Coe so sagely offered the SFA—"Go away and do absolutely nothing to threaten our team"?

Mr. Murphy: It is true, of course, that all politics is personal, and for the hon. Gentleman all politics is personal insult. He does not want a one-off British Olympic football team, but nor does he want a British Olympic cycling team that Chris Hoy did so well in, a British rowing team that Katherine Grainger did so well in, and a British Paralympics team that Aileen McGlynn did so well in. The fact is that he does not believe in a country called Britain, so it is hardly surprising that he does not want to see any representation of Britain at the Olympic games, but I am pleased to say that the majority of Scots continue to support the United Kingdom of these great islands.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [241360] **Alison Seabeck** (Plymouth, Devonport) (Lab): If he will list his official engagements for Wednesday 10 December.

The Prime Minister (Mr. Gordon Brown): Before listing my engagements, I am sure that the whole House will wish to join me in sending our profound condolences to the family and friends of Lance Corporal David Wilson of the 9th Regiment Army Air Corps, who died in Iraq on Thursday. We owe him and all those who have lost their lives serving our country a deep debt of gratitude.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Alison Seabeck: I thank my right hon. Friend for that reply, and may I offer my condolences to the family concerned?

Businesses, including small businesses, have welcomed the measures brought in to help them through the current downturn. They are, however, concerned about the do nothing, "Let's just see what happens" from the Conservative party. They also have concerns about the way in which, and the speed at which, banks are responding to their requests. Will the Prime Minister please reassure me that this Government will do all they can for home owners, those businesses and the people who work in them?

The Prime Minister: We will do everything it takes. We led the way in recapitalising our banks. We led the way in arguing for a fiscal expansion, which other countries are now taking up. We will be leading the way in the next few days with more help for the unemployed, announced in the welfare reform White Paper that we are putting forward today to help people into work; more help for home owners when we have the mortgage summit tomorrow with the housing and building society industry; and more help for small businesses when we announce our new measures that are in addition to the national loan guarantee scheme that we have proposed—in addition also to the work that we are doing to help defer the expenses of people who are faced with big bills as a result of income tax. We are taking action. The Conservatives would do nothing.

Mr. David Cameron (Witney) (Con): I join the Prime Minister in paying tribute to Lance Corporal David Wilson. His family, including his fiancée, Michelle, and his young daughter, Poppy, have suffered a devastating loss, and the whole House will want to send its condolences to them.

I am going to ask the Prime Minister again about the need to get banks lending to businesses. Putting taxpayers' money into the banks was something supported by all parts of the House in order, yes, to rescue the banking system, but as the Governor of the Bank of England says, the purpose of recapitalisation was not

"merely to protect the banks",

but to ensure that

"the flow of lending to the real economy could continue at normal rates".

Does the Prime Minister accept that on those terms, his recapitalisation has failed? When is he going to change it?

The Prime Minister: The first point of recapitalisation was to save banks that would otherwise have collapsed. We not only saved the world—*[Laughter.]*—saved the banks and led the way—*[Interruption.]* We not only saved the banks—*[Interruption.]*

Mr. Speaker: Order.

The Prime Minister: Not only did we work with other countries to save the world's banking—*[Interruption.]* Not only did we work with other countries to save the world's banking system, but not one depositor actually lost any money in Britain. That is the first thing. The second thing is to get the banks into a position in which they can resume lending, and that is why interest rates have come down by 3.5 per cent.—something that the Opposition said was not possible, but which actually happened. The third thing to do is to work to remove all the barriers to interest rates and to the lending of money by the banks, and that is what we are doing in discussion with the banks now. The Opposition may not like the fact that we led the world in saving the banking system, but we did.

Mr. Cameron: Well, it is now on the record. The Prime Minister is so busy talking about saving the world that he has forgotten about the businesses in the country that he is supposed to be governing. All over the country there are businesses that have had interest rates increased and overdrafts restricted. I have one here: a business in Derbyshire whose overdraft facility was restricted even though its order book was full, and which has had to lay off 11 people as a result.

This recapitalisation scheme is not working. It needs to change if the banks are [illegible] lending again. The Prime Minister keeps sayin[illegible]veryone in the world has copied it, but no one ha[illegible]pied the details. He is lending to the banks at 12 per cent. and expecting them to lend out at 6 per cent. Other countries are not copying that, even though he thinks he is saving the world. Is that not one of the things that need to change, and change now?

The Prime Minister: The right hon. Gentleman forgets that in addition to recapitalising the banks, we have set up the small business loan guarantee scheme with an extra £1 billion. That would not be possible if we took the advice of the Conservative party. We have put an extra £1 billion into export credits for small businesses, which would not be possible if we took the advice of the Conservative party. We are getting £4 billion from the European Investment Bank. Four banks in Britain are already using that scheme, which will enable money to flow to small businesses. And, at the same time, the Inland Revenue—Her Majesty's Revenue and Customs—is saying to people that we will defer payments of VAT, national insurance and income tax, and corporation tax, to enable them to have the cash flow that is necessary.

So we are taking the measures that are necessary. Unfortunately, to do that one has to be able to put a fiscal injection into the economy. Unfortunately, the Conservative party opposes the extra investment that is needed. Unfortunately, the Conservative party is still clinging to the failed policies of the 1980s.

Mr. Cameron: The fiscal stimulus has nothing to do with saving the businesses that are going bust and that need lending from banks. The Prime Minister talks about the loan guarantee scheme. Does he know what percentage of loans to business the loan guarantee scheme covers? Does he know? It is 0.2 per cent.: that is how big it is. I know that the Prime Minister has been around the world boasting about his recapitalisation scheme, so he is reluctant to change it but, for the good of the economy and our businesses, it has got to change.

If it is all going so well—if it is all going so swimmingly—why did the Council of Mortgage Lenders say this yesterday? It said:

"The government needs to decide on its key priority. The tug of war with lenders being pulled in every direction at once needs to end."

Government policy, the council says, is "conflicting and incoherent". Why does it think that Government policy is conflicting and incoherent?

The Prime Minister: The Council of Mortgage Lenders has just supported our proposal to deal with repossessions in the mortgage market, something that not even the Conservative party was able to support. We are taking the action that is necessary. I am sorry to have to teach the right hon. Gentleman what an economy is about, but if we are putting money into the small business loan guarantee system, if we are putting money into export credit, if we are putting public money into supporting businesses through a difficult period by deferring income tax and corporation tax and national insurance and VAT, we are using taxpayers' money rightly to help small businesses.

Unfortunately, the difference between our two parties is that the right hon. Gentleman would do absolutely nothing and let the recession run its course, while we are prepared to take the action that is necessary but accept that it costs money. It is no good him complaining about extra borrowing if he is not prepared to take the action that is necessary to help small businesses.

Mr. Cameron: The difference between us and the Prime Minister is that while he thinks he is saving the world, we are talking about businesses in the real world in the British economy. The Governor of the Bank of England says:

"The single most pressing challenge to domestic economic policy is to get the banking system to resume lending".

If the Prime Minister was not wasting so much time and everyone's money on his pointless VAT cut, he could have spent more time on this.

Just as the Government supported lending between the banks, is it not now time to underwrite lending to businesses? Is that not the way to keep them afloat and to keep people in work? Will the Prime Minister now finally accept our proposal for a national loan guarantee scheme to make sure that happens?

The Prime Minister: The right hon. Gentleman is refusing to spend any taxpayers' money in helping us out of this difficulty. As for his rejection of the VAT cut we are giving to consumers to enable them to spend, I hope he will ask the Chairman of the Public Accounts Committee to apologise, when saying that he was against the VAT cut, for asking:

"How will it help the poor to give them a few pence off consumer items they don't need?"

If ever that was uncaring Conservatism—the right hon. Gentleman should ask the Chairman of the Public Accounts Committee to apologise.

Mr. Cameron: Why cannot the Prime Minister answer the question about our national loan guarantee scheme? It is a fully worked-through proposal that could help business now. The CBI has welcomed it, as have the Institute of Directors and the Federation of Small Businesses, and *The Guardian* newspaper today—*[Interruption.]* Well, *The Guardian* gets Government leaks without anyone being arrested. *The Guardian* said:

"The Conservatives have been advocating a national loans guarantee scheme that the Treasury may be trying to adapt".

So, on the day the Prime Minister is copying our welfare reforms—we will have a statement on that in a minute—will he swallow his pride and admit that he needs to copy our proposal for a national loan guarantee scheme? Is that not the way to get business trading and to keep Britain working?

The Prime Minister: Again, I have got to teach the right hon. Gentleman something. We have already got a business loan guarantee scheme; it is worth £1 billion and it was announced as an extension in the Budget. If the Conservatives have not realised that, they can be of no help to small businesses in their constituencies. On top of that, we have an export credit scheme; on top of that, we have deferred expenditure on VAT and income tax; and on top of that, we have the European Investment Bank scheme. I just said in answer to the first question put to me that we will do more in the next few days because we want to do everything we can to help the economy move forward, but that cannot be done without being prepared to put the injection of money into the economy, and if the Conservatives stand for the policies of the 1980s and 1990s—when they did nothing as the unemployed and small businesses went to the wall—and do not allow the extra expenditure, they are on the wrong side of history.

Mr. Cameron: The Prime Minister is on the wrong side of mathematics. The loan guarantee scheme, worth £1 billion, covers 0.2 per cent. of business lending. He cannot accuse us of doing nothing on a day when we are proposing a multi-billion pound scheme to get business lending again.

But let us take a moment to look at the Prime Minister's record. What did he do to put money aside for a rainy day? Nothing. What did he do to stop the fastest rise in unemployment for 17 years? Nothing. And what has he done to get real credit moving in the real economy? Absolutely nothing. He said he would abolish—

The Prime Minister *rose—*

Mr. Cameron: Wait a minute—the Prime Minister can save the world in a few moments if he likes. He said he would abolish boom and bust; he has brought this country to the brink of bankruptcy and the deepest recession of the G7. Is not the person responsible him?

The Prime Minister: Yesterday, the leader of the Conservative party said he would spend no more money; he said he would do nothing more through more finance to help people. He then went on to say he would cut spending in 2010; that means cutting spending on the health service, education and other public services. The Conservative party enters 2009 with exactly the same policies it had in the 1980s. It will say anything to disguise the fact that it will do nothing; that is the Conservative party we know, and it is not fit for Government.

Alan Simpson (Nottingham, South) (Lab): Actually, it is quite nice to have a Prime Minister who would save the world when we are faced with an Opposition who can barely save face.

May I ask the Prime Minister specifically to address the initiatives that he has been taking in respect of the need for a new architecture to underpin the international financial institutions? Will he take the lead in looking at the opportunities to introduce a Tobin tax through the World Bank to ensure that we are able to protect long-term and serious investment, but deter speculators from playing the terribly destructive role that they have played in throwing us into the current recession?

The Prime Minister: There are many proposals to deal with the reform of international financial institutions to make them more able to deal with the problems that the world faces, not just the financial stability problems, but climate change. One such proposal is the Tobin tax, which has been found by many people who have looked at it not to be implementable. Another is to increase the resources available to the International Monetary Fund and the World Bank, and that is something that we are examining now.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I would like to add my own expressions of sympathy and condolence to the family and friends of Lance Corporal David Wilson, who tragically lost his life in Iraq.

Recently, a single mother with small children came to see me in Sheffield—*[Interruption.]*

Mr. Speaker: Order. Let the right hon. Gentleman speak.

Mr. Clegg: She had with her a bundle of letters from the Government demanding her tax credits back. The letters were almost entirely incomprehensible, except for the bit that said that she was going to be dragged to court to pay back money to the Government that she did not have—she was terrified. Does the Prime Minister think that is the kind of help that people need in a recession?

The Prime Minister: Tax credits have increased, and they have helped more children out of poverty than any other policy that we have had. Of course, if the right hon. Gentleman wishes to bring details of the individual

case to my attention, I shall look at it. But I think he should recognise that tax credits have taken more children out of poverty than any other single measure.

Mr. Clegg: The Prime Minister is deluding himself. I know that he thinks he is Atlas carrying the world on his shoulders, but the fact is that I have figures to show that he is now dragging 35 low-income families a day to court—that is 10 times as many as last year. The tax credits system that he created is confused, bureaucratic and cruel. When will he move to a system of fixed payments, so that people do not have to live in fear of the money that they get today being taken away by him tomorrow?

The Prime Minister: If there was a system of purely fixed payments, we could not adjust the help that is necessary either when people become unemployed or when their family income falls substantially. The whole point of having a flexible system is to enable us to respond to the changes in people's circumstances. Of course, I shall look at the individual case that the right hon. Gentleman has brought before the House, but I think he has got to recognise that 6 million families in this country receive child tax credits, that they benefit from them—in some cases, by £70 for the first child—and that that has done much to take people out of poverty, and will continue to do so. If he is seriously interested in attacking child poverty, he should be supporting tax credits, not opposing them.

Martin Linton (Battersea) (Lab): The most important single reform of the health service that my constituents want is to have general practitioner surgeries open in the evenings or at weekends. Can the Prime Minister confirm that nearly 5,000 GP surgeries—more than half the total—are offering extended hours, and can he say when all of them will do so?

The Prime Minister: GP surgeries are now open in 65 per cent. of the areas of the country in the evenings or at weekends. They are open because we demanded—*[Interruption.]* Well, the Opposition's policy is that GPs make their own decisions, and that would mean that large numbers of GP surgeries would not be open in the evenings or at weekends. We have taken the decision and we have provided the money. It is only possible to provide the money for that by increasing the health service budget—that would not now be possible under the Conservatives' plans.

Q2. [241361] **Mr. David Amess** (Southend, West) (Con): The Warmer Homes and Energy Conservation Act 2000, which I had the honour of introducing, places a duty on the Government to pursue a strategy to eliminate fuel poverty for vulnerable people by 2010 and for everyone by 2016. Given that the current strategy is clearly failing, with 5.4 million people now in fuel poverty, will the Prime Minister tear up the present strategy, listen to his own advisory group, save lives this winter and meet the targets in the Act?

The Prime Minister: We have just raised the winter allowance for pensioners to £250 for the winter months, and to £400 for those aged over 80. There was no winter fuel allowance under the Conservatives. We have also introduced insulation schemes that enable people to insulate and draught-proof their homes, and to fit central heating. The Warm Front and other schemes are being increased in value in the next period of time. Of course in the last few months oil prices have pushed up gas and electricity bills, but oil prices are coming down, and we want to see gas and electricity bills coming down. That will have a big impact on our ability to tackle fuel poverty.

Q3. [241362] **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): Buying local and paying promptly are two important ways of helping small businesses to stay in business. As well as encouraging local and national Government to play their part, will the Prime Minister also urge bigger private businesses to play a part too?

The Prime Minister: Today the Business Secretary is holding a meeting to discuss a prompt payment code with the Institute of Credit Management. That means that we are asking others to join us in the early payments that Departments are now making to businesses and others. I believe that other public authorities can do that, and that some of our mainstream large businesses should be in a position to help smaller businesses. We will have a new prompt payment code and I hope that as many businesses as possible will sign up to it.

Sir Paul Beresford (Mole Valley) (Con): Will the Prime Minister apply the same pressure to the Student Loans Company to reduce interest rates as he has to the banks? If the response is yes, can he ensure that any reductions are backdated to match the timing of the Bank of England reductions?

The Prime Minister: Of course I will look at what the hon. Gentleman says. He may know that the arrangements for student loans and the interest rate charge have been set down by this House and are reviewed from time to time.

Q4. [241363] **Michael Jabez Foster** (Hastings and Rye) (Lab): When it comes to helping those on benefits back into work, does my right hon. Friend agree that compassion and support are as important as compulsion in achieving that objective?

The Prime Minister: In our welfare reform paper, we propose giving more help to people who need it, especially to enable them to return to work. We will also give people with disabilities the power to control their budgets, make their own choices about how best their condition can be treated, and how services can meet their needs. We intend to legislate for a right for those with disabilities who want to do so to control a single budget comprising services, benefits and other support. That is showing compassion as well as moving forward with reform.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): Tonight the actual moment of death of my former constituent, Craig Ewert, will be shown on Sky Television. Many people recognise that there is a real issue in terms of how we approach assisted dying, but at the moment it is illegal. Health and palliative care groups, as well as disability and other faith groups, oppose assisted dying. Does the Prime Minister regard this programme as being in the public interest, or is it simply distasteful voyeurism?

The Prime Minister: These are very difficult issues, and we should all remember that at the heart of any individual case is a family in very difficult circumstances, who have to make difficult choices that none of us would want to have to make. It is a matter of conscience and there are differing views on both sides of the House about what should be done. It is necessary to ensure that there is never a case in which a sick or elderly person feels under pressure to agree to an assisted death or that it is the expected thing to do. That is why I have always opposed legislation on assisted death.

Specifically on the programme itself, I think that it is very important that these issues are dealt with sensitively and without sensationalism. I hope that broadcasters remember that they have a wider duty to the general public. Of course, this will be a matter for the television watchdogs when the broadcast is shown.

Q5. [241364] **Emily Thornberry** (Islington, South and Finsbury) (Lab): Residents were outraged when the biggest lap-dancing club in the country was given a 24-hour licence by my local Lib-Dem council. However, the good news, as they understand it, is that we will increase the regulation of such establishments. Is my right hon. Friend in a position to give us any further details today?

The Prime Minister: We believe that any such applications should take into account the wishes of local residents and should be sensitive to the needs of people in the area. We intend to legislate on that basis in the near future.

Q6. [241365] **Mr. Andrew Robathan** (Blaby) (Con): My constituents, Mr. Steve Smith of T. J. Trucking and Mr. David Nettley of Transport Enterprise Ltd, have both written to me in anger and desperation at their inability to get credit from their banks—banks that are now financed by the taxpayer. They particularly say that Government help for small businesses is making it worse for them. Will the Prime Minister now adopt a national loan guarantee scheme for small businesses, as we recommend?

The Prime Minister: There is a small business loan guarantee scheme—*[Interruption.]* It is no use the Opposition denying the reality. There is a small business loan guarantee scheme, which is being increased to £1 billion. In addition, the firms in the hon. Gentleman's constituency can ask the Inland Revenue to defer tax and VAT payments. At the same time, of course, I hope that they will soon benefit from the price of fuel coming down. However, I do not know whether the Opposition are prepared to admit that we are taking action on the small business loan guarantee, on export credits and on deferring tax. It is no use their denying the reality. I agree that we will be doing more in the next few days, but it is important to recognise what is available at the moment and to give people the real help that is available now. We will finance that help, whereas the Opposition would not.

Michael Connarty (Linlithgow and East Falkirk) (Lab): I know that my right hon. Friend has always been a supporter of the credit union movement, and particularly of community-based credit unions such as those that I have in the Braes area of my constituency. Is he concerned that an order is going through at the moment that will basically turn every single credit union into a basic bank and every account into a current account, allowing people to withdraw all their deposits at any time? That is a great blow to the community-based credit union movement. Will he ask his Ministers to reconsider that proposal?

The Prime Minister: The purpose of the legislation is to enable credit unions to do more than they have been able to do in the past. Of course, we will respond to consultations and to such information and recommendations as my hon. Friend wishes to give to us. There is an £80 million growth fund to expand the capacity of credit unions and community development finance. Since 2006, credit unions have helped 110,000 people. They are a major element in our financial system and we want to give them all the support they need.

Q7. [241366] **Mr. Graham Stuart** (Beverley and Holderness) (Con): The Select Committee on Children, Schools and Families has just received chilling evidence from the chief inspector of schools at Ofsted. Between 1 April 2007 and 31 August 2008, 210 children died as a result of abuse—three times the number that we were led to believe by the Department. Does the Prime Minister agree that there must be something profoundly wrong with our society for it to have such a death toll of the innocent? What can he do to do something about it?

The Prime Minister: We have to do everything in our power to prevent the needless loss of young life as a result of child abuse. First, we must ensure that child protection arrangements are effective everywhere and that is why Lord Laming has been asked to undertake his urgent review of the progress that has been made. Secondly, we need to train social workers more effectively and that is why we have set aside £73 million for better training of our social workers in the years to come. Thirdly, the hon. Gentleman has heard from Ofsted today and we are asking Ofsted to carry out inspections annually across the country—not biennially, but annually—in every area of children's services. When the case reviews are inadequate, an independent panel must immediately convene to reconsider those reviews and report properly in the future. When we have Lord Laming's recommendations, we will take further action. If any mistake is being made, people should be penalised, and if there is anything to change in the law, we should do it immediately.

Q8. [241367] **Chris Ruane** (Vale of Clwyd) (Lab): As chair of the all-party heart group, I would like to inform the House that last year each Member of the House lost 300 constituents to heart disease. The current 10-year plan to combat heart disease finishes next year. It has been an outright success, with a 45 per cent. drop in heart-related deaths. Will the Prime Minister ensure that his next 10-year plan is as successful?

The Prime Minister: Ten years ago, there were 35,000 heart operations in the country: now, there are 80,000 almost every year. Ten years ago, people waited up to two years for a heart operation: now, virtually nobody waits more than three months. Mortality rates for

cardiovascular disease are now the lowest since records began. I believe that we have a duty to fund the health service properly to enable it to tackle heart and other diseases in the way that doctors want, and with the speed that everybody wants. That depends on a properly funded health service. That would not be possible with the policies now being pursued by the Opposition, but we will continue to fund the health service for the future.

Dr. William McCrea (South Antrim) (DUP): The reality is that, right across the UK, small and medium-sized businesses are going to the wall because the banks are not extending credit on reasonable terms. We appreciate that action has been taken, but what further positive action can be taken to ensure that credit gets to the SMEs to stop them going bust?

The Prime Minister: That is exactly what we want to do, and that is why we are encouraging the banks. Schemes have been announced by HSBC and other banks in the last few days. We are pressing them to announce further measures in the next few days. I believe that to match what the Government have done, the banks must now respond in the way that I am suggesting. I believe that no small business with a good project and good investment plans but which needs working capital or an overdraft should find that such a facility has been withdrawn. We are at one in trying to make sure that the banks operate for the public interest in this way.

Welfare Reform

12.32 pm

The Secretary of State for Work and Pensions (James Purnell): With permission, Mr. Speaker, I should like to make a statement on our White Paper "Raising expectations and increasing support: reforming welfare for the future".

This White Paper will transform lives. We know that the support that we offer helps people get back to work. It can turn lives around. We want to make sure that as many people as possible have this chance. That is why we want virtually everyone claiming benefits to be preparing for, or looking for, work. It is a fair deal—more support, in return for higher expectations.

That is a deal that has always underpinned the welfare state. As early as 1911, those claiming from the unemployment exchange could be disqualified if they refused a suitable job offer. It is a deal that was extended by the Beveridge report, and one that was championed by the 1945 Labour Government.

In 1947, Herbert Morrison said that

"we have no hands or brains to waste, and no resources to fritter away on those who don't contribute to our national effort."

Today, when the national effort is about a global downturn, we can no more afford to waste taxpayers' money on those who play the system than they could then. But most of all we cannot afford to waste a single person's talent.

We inherited a welfare state in which fewer than a third of claimants had to do anything in return for their benefits. Even that third got paltry support to get back in to work, while the rest got nothing. That truly was a welfare state that wasted talent and money. We paid for the costs of failure because we were not prepared to invest in the possibility of change. This Government set about putting that right. We taxed the excess profits of the privatised utilities to create the new deal. We merged the Benefits Agency and the Employment Service to create Jobcentre Plus, so that everyone who signed on for benefits signed up for work, too. That was the first phase of reform—deepening the obligations to work, so that there was no fifth option of just staying on benefits. We saw that those obligations caused youth unemployment and long-term unemployment to tumble, so we set about the second phase of reform and widened the scope of those obligations to work. We piloted helping those on incapacity benefit, first with the new deal for disabled people and then with the groundbreaking pathways to work programme, which increases a person's chance of being in work by 25 per cent. Now we are rolling that out.

Since April, we have required all new claimants to take part, except those with the most severe conditions, and in October, we replaced incapacity benefit with the employment and support allowance, which focuses on what people can do, not what they cannot do. We improved help for lone parents. With the help of the new deal for lone parents, over 300,000 more lone parents are in work, but we wanted more people to benefit, so we are requiring lone parents of children between the ages of seven and 16 to look for work. We expect that to increase employment and lift 70,000 children out of poverty.

The White Paper will kick off the third phase of welfare reform. It is based on the simple idea that no one should be left behind, and that virtually everyone should be required to take up the support that we know works. It is built on the recommendations of two independent reviews, the Freud and Gregg reviews. The White Paper confirms that we will implement the Freud report in full, including his "invest to save" proposal, in which private and voluntary providers invest money in helping more people back in to work, and get paid out of the resulting benefit savings. Professor Paul Gregg's report was published last week. The White Paper confirms our support for his vision. It sets out how we will put it into legislation and pilot his recommendations so that nearly all claimants are either preparing for work or looking for work.

We will migrate everyone on incapacity benefit on to the employment and support allowance. Under the new benefit, the poorest and most disabled will get nearly £16 a week extra. Everyone else will get support to manage their conditions and prepare for work. They will be required to attend interviews to develop their plan to do so, and advisers will be able to require them to implement that plan. We agree with the Gregg report's recommendation that parents should not be left until their youngest child is seven before they are given help to get back into, or prepare for, work.

The support that we offer lone parents has been transformed since 1997. We pay a £40-a-week bonus to any lone parent going back into work. We pay 80 per cent. of their child care costs. We pay for travel costs to job interviews, and for interview clothes, if necessary. When the parent finds works, there is a £300 emergency fund to help them, if needed. We can also help people with more serious problems such as depression, debt or drug addiction. Most of all, we have made work pay. A lone parent who has one child and works 35 hours a week will be on at least £304 a week in April next year, compared to £182 in 1999. Thanks to the minimum wage and tax credits, such parents are now more than £100 a week better off.

Our goal is simple: we want more parents to benefit from help, so that they can help themselves and their children. That is why conditionality is so important in the welfare state. Only 5 per cent. of incapacity benefit stock claimants voluntarily take up the support that the pathways to work programme offers, and only around one in four lone parents takes up the support offered by their new deal. Partners in couples in which no one is working face even fewer obligations than lone parents.

The Gregg report found that

"Conditionality backed with a regime of sanctions improves outcomes."

As a result of such a regime, the UK enters the downturn with the second lowest unemployment rate in the G7. However, the report also found that countries such as Denmark and the Netherlands had lower unemployment and child poverty rates than the UK, so if we want to abolish child poverty and improve social mobility, we need a welfare state that learns from the example of those countries. The Queen's Speech made it clear that we will reinforce our commitment to ending child poverty in legislation that the Government will introduce in this Session. The White Paper is the other side of the coin, matching higher support with higher expectations.

Some people say that we should be slowing down the pace of welfare reform because of the downturn. The Government believe that we should do exactly the opposite.

[James Purnell]

We should not repeat the mistakes of the recessions of the '80s and '90s, when hundreds of thousands of people were shuffled on to inactive benefits to keep the unemployment count down, and trapped there without support, abandoned and scarring our communities. In contrast, we are investing £1.3 billion in helping people find work, but we will have increasing requirements of people the longer they are out of work, to make sure that they do not fall out of touch with the world of work. After a year, everyone will be allocated to a private or voluntary provider, and expected to do four weeks' full-time activity. After two years, we will pilot requiring people to work full time for their benefit.

The White Paper will also support children whose parents' relationship has broken down. We will bring forward legislation so that it becomes the default option for both parents to register the birth of their child, whether they are married or not. And we will fully disregard child maintenance when working out income-related benefits from April 2010, so that children can take full advantage of the money provided for their upbringing.

The White Paper also makes clear our intention to apply new benefit rules for problem heroin and crack users. Instead of receiving jobseeker's allowance, or the employment and support allowance, crack and heroin users will receive a treatment allowance, alongside an obligation that they address their problem.

There needs to be help for people to find and keep work, as well as responsibilities to look for work, so we will double the access to work budget to allow more people than ever before the support that they need to stay in work, and because we recognise that disabled people are the experts in their own lives, we will legislate for disabled people to have the right to exercise choice and control over the support they receive from the state. This right to control will be a major step towards achieving equality for disabled people by 2025. It will be a transformation in the rights of disabled people.

These reforms point the way to a fairer society where children do not grow up in poverty, disabled people enjoy real equality, and everyone is given real help to overcome the barriers to fulfilling their potential. Yes, the reforms are about looking after taxpayers' money, but they are also about looking after the future, by making sure that we do not waste anybody's talent. I commend the statement to the House.

Chris Grayling (Epsom and Ewell) (Con): I would normally thank the Secretary of State for an advance copy of his statement, but instead of doing that, may I ask him to explain to the House why he has given such an extensive briefing about the content of the statement over the past few days in the media? Does he not think that briefing the media in that way, ahead of the House, flies in the face of both the rulings that have come from the Chair in the past few months, and the now rather hollow commitments made by the Prime Minister when he was first elected to that position, about the importance of the House?

I pay tribute to the work of David Freud. It was his report, commissioned by Tony Blair and comprehensively rejected by the current Prime Minister three years ago, that started the debate in Britain. When we published our Green Paper in January, we drew heavily on David Freud's work and added to it the recommendations for mandatory community work to be added to the back to work process in the UK. All those recommendations—David Freud's and ours—have now, it appears, been adopted by the Government.

We know that the Secretary of State will face a big rebellion on his Back Benches, so may I assure him that we will give the proposals our support? We know that his Back Benchers, his union backers and his own social security adviser are clearly opposed to the measures, but as much of what he is proposing comes from the work that we published in January, I can assure him that Conservative votes will help the measures on to the statute book, even if Labour Members try to stop them.

There will certainly be issues for debate when the Bill comes before the House. I think the Government are wrong to extend from six months to 12 months the date when young people are referred for specialist back to work support. We would change that in government. I am glad the Secretary of State agreed with me that the proposals in the Gregg report to make lone parents of one-year-olds prepare for work were just plain wrong. Even so, I remain unconvinced by some of his other proposals on lone parents, and we will want to debate those vigorously when the Bill comes before the House. There are far too many pilots in the proposals. After 11 years in office, surely the Government can, for a change, do something properly and not just pilot it.

There is one huge, unanswered issue, on which I would like the Secretary of State to concentrate his response to me. He has rightly accepted our proposal to put every single person currently claiming incapacity benefit through an independent medical assessment; that is clearly the right thing to do. However, it will also be a complete waste of time if adequate back to work places are not available for the people who go through the test and are told that they have the ability to prepare for work.

Our intention was always to fund those extra places for a proportion of 2.6 million people through the so-called departmental expenditure limits-annual managed expenditure, or DEL-AME, switch—the invest to save mechanism—using initial savings from getting people off benefits and into work to fund the cost of the programmes that get them there. The Secretary of State has said only that he intends to pilot that plan in two areas after 2010. However, the assessments start in 2010. What will happen in the rest of the country? Where will the extra places come from, and how much extra money does the Secretary of State have to put into the budget for the pathways to work programme after 2010 to pay for those extra places? If those places are not there, many of these proposals will not be worth the paper on which they are written.

We have had a wasted decade for welfare reform. The Government promised change, but failed to deliver it in the good times. Now unemployment is rising and these proposals will be much more difficult to deliver. The measures in the White Paper are mostly right for Britain and we will vote for them. It is a shame, however, that the Government have talked for so long and done so little. Let us hope that, this time, they will finally do something—start the real reform process and establish

proper foundations for change that will enable the next Conservative Government finally to end Britain's entitlement culture.

James Purnell: I am glad that at last the hon. Gentleman has acknowledged that it was this Labour Government who commissioned the Freud report; normally, he goes around creating the impression that it was his report. We are implementing it in full in this White Paper.

I am slightly confused about the hon. Gentleman's position on these welfare reforms. Originally, he said that the Opposition would welcome the proposals enthusiastically; last week, he said that he thought that we were going a bit over the top; on Sunday, he said that the proposals did not constitute welfare reform; and by Monday, he went back to saying that he would back them enthusiastically. That is confusing, but the confusion is not mine—it is due to the fact that the policy of the Conservative party is confused. It does not know what it thinks because its modernisation was a spray job. It is increasingly falling back on exactly the ideas of the '80s and '90s that created the problems in the welfare state which we have had to address.

The hon. Gentleman used to say that he would give these proposals his full backing. However, if people listen to what he has said today, I think that they will see that he is trying to maintain a tiny bit of wriggle room. I tell him this: he can either be statesman-like and do the right thing for the country or play politics. He cannot do both at the same time. That is the test to which we shall hold him—will he support the full reforms in the White Paper or will he try to have his cake and eat it, and play politics while trying to say that he is doing the right thing?

The hon. Gentleman raised a number of points. He said that he wanted me to direct my remarks to the questions about extra funding. There is extra funding in this package for the pathways to work programme to be extended to people who are migrating from incapacity benefit to ESA. He has no such funding at all. Given his party leader's remarks yesterday on the radio, he has a real problem. He would have to cut spending in our Department. The Conservatives said that the borrowing in the pre-Budget report was reckless, but it allocated an extra £1 billion and this White Paper allocates still further money. None of that would be available to him. He has already committed to cutting the new deal, and he would have to make even further cuts.

The hon. Gentleman said that he would bring forward further proposals. We will apply three tests to them. First, are they fair? Secondly, would they work? Thirdly, how would they be funded? There is no point in his bringing forward theoretical proposals for which he has no money. He cannot just go around talking about the invest to save proposals as if they were some kind of magical piggy bank. We can proceed only at the pace that David Freud recommended.

The hon. Gentleman suggested that we were not implementing David Freud's proposals, but he has an article in today's papers saying that we are doing exactly what he recommended. It is right that we should do what he said, which is to pilot the scheme, not in two areas but in five, and then to make sure that we evaluate it and roll it out on the basis of that success. That is exactly what David Freud recommended.

The hon. Gentleman can no longer go around saying that there will be extra money from that process, because it is simply not available under his proposals. Nor can he say that he would pay for what he calls "ending the couples penalty" out of further welfare savings. He agrees with what we are doing, so there would be no further welfare savings to be had. I hope that in future he will make it clear that he would have no money for his proposal.

The hon. Gentleman has completely misunderstood the Gregg report. It does not say that we should make parents look for work when their child is aged one—it says that people should prepare for work. It gives them ownership of their own journey back into work. It says that they should be able to develop a personalised action plan, but then, as their children get older, in certain circumstances it is also right that they should be required to carry out that action plan. Like the rest of the White Paper, this proposal is about reducing child poverty, reducing unemployment and transforming lives. We believe in this because we think that the welfare state is the solution; the Conservatives do not, because they believe that the welfare state is the problem. On Sunday, the hon. Gentleman's leader said that 5 million people in this country could all be a potential Karen Matthews. That is an insult to people on benefits, and it lets people like Karen Matthews off the hook. I think that in future Conservative Members should dissociate themselves from their leader's remarks.

Mr. David Blunkett (Sheffield, Brightside) (Lab): I commend the Secretary of State for the White Paper, particularly the move to greater flexibility for advisers and for the invest to save project. Does he agree that the global downturn means that many more people, in addition to the 2.5 million who already rely on legal, but very high, domestic credit repayments will require support and help? Does he also agree that the consultation launched a fortnight ago on the reform of the social fund should lead to a much more radical approach based on the partnerships in invest-to-save projects that would allow the public, private and voluntary sectors to expand dramatically the availability of affordable credit to the millions of people who would otherwise find themselves reliant on loan sharks who demand incredible payments that those people cannot afford to make?

James Purnell: My right hon. Friend is absolutely right. I pay tribute to him for starting off the process of welfare reform that we are announcing today. I also pay tribute to him for campaigning to reform the social fund. We think that it does great work, but that it could be improved by ensuring that people get financial advice alongside help with their finances. That is why we want to consider whether we could use that money to subsidise credit unions to do their job even better by helping people with their financial needs but also ensuring that they get out of debt.

Jenny Willott (Cardiff, Central) (LD): I thank the Secretary of State for advance notice of the statement. I agree with the hon. Member for Epsom and Ewell (Chris Grayling), however, that it is disappointing that the Secretary of State held a press briefing on these measures before he came to the House, although both

[Jenny Willott]

that briefing and the statement are almost pointless given the extent to which the proposals were trailed in the media over the weekend.

The Government have not consulted on the proposal to push lone parents with children as young as three or four years of age from income support on to JSA, because it was not in the Green Paper, although it was trailed quite strongly at the weekend. Clearly, it was not proposed earlier because the Secretary of State knew that there would be very little support for it, least of all among his own Back Benchers, and certainly among civil society organisations, which have raised serious concerns about that proposal. It is far too soon to consider such a proposal given that the Government have only recently brought in changes to the regime for lone parents and have not even assessed the progress of those changes. It was only three weeks ago that the Government started to move 300,000 lone parents from income support on to JSA. Many organisations, including the Social Security Advisory Committee, and many Members of this House have expressed concerns about whether enough flexible working opportunities, affordable child care, and appropriate personalised support are available. It is worrying that there is not yet enough evidence to suggest whether those changes will be successful and what their impact will be on child poverty. The Government have already admitted that they cannot guarantee that lone parents will be better off as a result of the changes that have already been introduced, so why is the Secretary of State proposing to go so much further before they have even evaluated those changes?

Why is Labour attacking lone parents and demonising people who are losing their jobs during a recession? The Secretary of State said that some people say that we should be slowing down the pace of welfare reform because of the downturn. Liberal Democrats are not saying that; instead, we believe that he should take account of the downturn and not penalise people who are suffering as a result. He referred to people who are long-term unemployed as "offenders", which is not only counter-productive but also illuminating. The work-for-the dole proposals treat the long-term unemployed as though they were criminals on community service. The rhetoric that is being used demonises those who are on benefits. International examples show that the work-for-the dole option is not a success—it does nothing to develop skills and confidence and nothing to make people more employable. Why are the Government pushing ahead with a policy that has been shown to fail internationally?

On tailored support, the Secretary of State talks about responsibilities. We all share the view that people have responsibilities, but so do the Government. Beveridge strongly believed in helping people back into work. Why, under the JSA regime, is there no tailored support until somebody has been unemployed for a year? That is a very long time to wait when everybody agrees that early intervention is absolutely crucial in getting people back into work.

The Government are talking about making sanctions stronger. The Secretary of State says that he is implementing the Gregg review, but he seems to be overlooking the parts where Professor Gregg said that before introducing stricter sanctions, the Government had to ensure that they introduced proper tailored support for individuals. The Government seem to be picking the bits that they like and ignoring the bits that they do not like. Could the Secretary of State confirm whether he is going to implement all the recommendations in the Gregg report or only the bits that the Tories like? At the heart of the approach that the Government are proposing is the idea that work is the best route out of poverty. Of course, everybody agrees that that should be the case, but given that more than half of children in poverty have a working parent, work does not always pay at the moment. Before the Government places sanctions on people, they need to ensure that people are better off in work. Can the Secretary of State confirm how he is going to ensure that the changes will not just move people from out-of-work poverty to in-work poverty?

These proposals highlight primarily the fact that the Tories are showing their true colours—gone seems to be compassionate conservatism. It is hard to know who is hanging on the coat tails of whom. The Tories and the Government are arguing about whose idea was whose—they almost come across as squabbling brothers. We all agree that the system needs to be overhauled, but for the Government merely to target the most vulnerable and play "Are you tough enough?" with the Tories is not the way forward.

James Purnell: I did not hold a press briefing, and I hope that the hon. Lady will withdraw that comment.

The hon. Lady has fundamentally misunderstood what this is all about. It is about transforming people's lives. It is about ensuring that we provide people with help and support so that they can get back into work and help their children to have a better standard of living and high aspirations for themselves. That is exactly the right thing to be doing.

On lone parents and the Gregg review, we are not saying that we are going to bring in those changes before the lone parent changes that are currently being introduced. This is about the next stage of welfare reform. It is right that lone parents should have to look for work when their child reaches the lower age of seven years, but Paul Gregg was not saying that parents of younger children should be made to work, or to look for work, but that they should prepare for work. We have fantastic help for people who need to get out of debt or to address serious issues such as mental health or drug problems. We also have help in relation to child care, confidence issues and training. It is right that people should go in and develop an action plan so that they can prepare for work, but then also, at the right time, be expected to take it up. It is all about ensuring that we end child poverty in this country—something that the Liberal Democrats have said is an "unnecessary distraction". They are neither prepared to put in the support for people nor to address their high expectations to ensure that they get back into work to help themselves out of poverty.

This is the right approach that builds on the best approaches around the world, which involve full-time activity among other things. The hon. Lady is wrong to say that international evidence shows that that does not work. It does not work if that activity is of low quality, has no job search and does not help people to develop skills. It does work, however, if it involves full-time activity that teaches people skills, such as turning up on

time and being presentable, and it ensures that people are looking for work. That approach is followed in countries such as the Netherlands and Denmark, and we will follow that approach because it is right for people.

The hon. Lady says that we should not deal with people who are repeatedly failing to live up to their obligations. I completely disagree. If people are taking money and playing the system without trying to get back into work, that is an abuse of the system. It is wrong for people to do that, and requiring those who do it to undertake full-time activity in return for benefits is the right approach because it is not fair on everyone else if they abuse the system in that way.

Finally, the hon. Lady asked what we will do to make work pay. We have transformed the situation: a lone parent working for a full week is more than £100 better off than in 1999, and that is even more than they would have had before 1997 thanks to the introduction of the minimum wage, which her party opposed. On top of that, we pay a £40 premium per week for people when they go into work. We are also piloting a £25 better-off guarantee. That is the right approach: more support and higher expectations. I am sorry that she does not support it.

Roger Berry (Kingswood) (Lab): I thank my right hon. Friend for his continuing efforts to support more disabled people and others getting into work. Does he agree that some media reports about the threat of sanctions against benefit recipients have caused anxiety among many people, not least those with mental health conditions? Such reports can be incredibly counter-productive in relation to what the Government seek to do. Moreover, they may discourage those entitled to benefits from claiming them. Can my right hon. Friend say how he intends to address those concerns?

James Purnell: I entirely agree with my hon. Friend, and I want to pay tribute to him for all the work that he does in championing the rights of disabled people in this House. It is right that we should give power to disabled people because society still discriminates against them and we need to ensure that they have the support and power to get themselves back into work and to achieve their aspirations, just the same as anybody else. No one should ever demonise or discriminate against disabled people, and we will ensure that that does not happen.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): I start by welcoming the statement. As the Secretary of State knows, a year ago, the Centre for Social Justice published a series of reforms, many of which went alongside Freud, but some went slightly further. What the Secretary of State is saying is along those lines, so I welcome what he says. As he knows, the Centre for Social Justice and I have worked with the hon. Member for Nottingham, North (Mr. Allen) on early-years intervention, and on the idea that empathy and bonding between the age of one and two is vital. I suspect that that idea, which I recommend, is reflected by his rejection of any talk of forcing people into work at that stage of a child's life.

I would, however, like to raise one issue. The Secretary of State talked about a lot of ways of getting lone parents back into work, and we know how difficult that is. When he refers to 32 hours work a week actually paying he is right, but one of the biggest problems is that many of the lone parents that we saw who worked between 16 and 32 hours complained hugely about the massive withdrawal rates that they suffered. I know that the issue is a difficult one, but the benefit block means that some of them take back only 10p in the pound for each of the hours that they work. That is a major issue and a disincentive for many of them. Losing housing benefit after falling out of employment and then finding it can take months to get it back is a major disincentive. Will he consider those matters in the next few months and bring some suggestions forward?

James Purnell: I welcome what the right hon. Gentleman says. Just to clarify, we are not rejecting a proposal that lone parents of children aged between one and seven should be made to work because no such proposal was made. Paul Gregg did not make such a proposal; he thinks that they should be preparing for work and that they should do that at a pace that is right for them.

The right hon. Gentleman raises an important point. In any welfare system that uses a taper, the taper can either apply to lots of people, who end up being means-tested across a wide-range of incomes, or it can be very sharp, and money is withdrawn very quickly. There is no perfect solution. We think that we have improved the situation substantially with the working tax credit and the minimum wage. The next issue to consider is housing benefit, and the White Paper announces that we will consult next year on reforms to the housing benefit system, looking at working incentives to ensure that there is fairness with regard to those who are working and those who are not, so that people on benefits do not end up getting subsidies for rents that those who work could never afford.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): My right hon. Friend will be aware that there has been a huge increase in the number of child care places available through the Government's national child care strategy, but many of those places are available during regular working hours. Will he do all that he can to ensure that more child care is available at weekends and in the evenings so that the lone parents who I meet in Blackpool can take advantage of jobs in retail, the hospitality trade, pubs, clubs and the tourist industry? At the moment, they cannot.

James Purnell: My hon. Friend makes an important point, and she gives me the opportunity to make it clear that this is not about targeting lone parents. In fact, the people who have the least obligations in the system at the moment are couples who are parents and are out of work. We want to ensure that we expect the same of them as we do of lone parents. That is the right thing to do. She is also right about the centrality of child care. We have made it clear in our reforms to the regime for lone parents and the jobseeker's allowance that if there is no appropriate child care, parents should not be expected to take up work, because that child care should be the first priority. We need to continue to expand child care. We have doubled investment. As she knows, from 2010, all secondary schools will be expected to have wrap-around child care in the evenings and before school, and we need to ensure that people have that support in the holidays—that is very important for people.

David Simpson (Upper Bann) (DUP): I broadly welcome the reforms that the Secretary of State has introduced, but with some concerns. I am sure that all hon. Members would agree that there are those on benefits who genuinely want to get back into work to give themselves some pride, and to make a contribution to society. The Secretary of State hit on one vital point. All hon. Members will agree that a hardcore percentage of individuals have spent their lives creaming benefits off the state. Can the Secretary of State assure us that his proposals will deal with that?

James Purnell: Our proposals will ensure that there are clear expectations of people, and if people repeatedly fail to live up to their obligations, they will face clear sanctions. They will either lose their benefit, or be required to do full-time work in return for their benefit. That is the right thing to do, but it will apply to a tiny proportion of people. The vast majority of people are never sanctioned. Of those who are sanctioned, the vast majority are only sanctioned once, and half of them think it was the right thing to do in the first place.

Mark Durkan (Foyle) (SDLP): I thank the Secretary of State for his statement. Some of us, however, are unsure of some of his proposals because of our constituency experience. Can he colour in for us how the right to control will be meaningful for disabled people, and whether it will apply to people with all recognised long-term conditions? On invest to save, and the proposal that the private and voluntary sectors should compete to win commission-driven contracts, how will he ensure that the process works in a fair way, and allows the voluntary sector to compete credibly What scale of investment will it need to muster, and will the process disadvantage areas where there are recognised concentrations of high, long-term unemployment, where such contracts will be less attractive? If conditionality and sanctions are to be the order of the day for lone parents and other people on modest benefits, when will the Government extend that principle to the banks?

James Purnell: I think that the Leader of the Opposition said that we had too much conditionality with regard to the banks.

My hon. Friend is right to point to the need for the DEL-AME mechanism in areas with higher levels of inactivity, which is exactly what we are providing. That mechanism will be more attractive in areas where there are more people who need help to get back into work, and therefore the areas that he mentioned would be particularly helped. We want to consult people on how the right to control will work; it will be a fundamental reform to the way in which support for disabled people works in practice. We want to consult people on which funding streams should be included. People would clearly not want defence or refuse collection to be included in a right to control, where they could take control of those matters in an individual budget, but if support is given to help disabled people, we want them to have control of it. If they are happy with what they are getting from local authorities and others, they can continue with it, but if they are not, they have the power to say, "No, I want to take this money and spend it in the way that I think fit." That gives power to disabled people, and it will lead to a real transformation.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): It is for you to decide, Mr. Speaker, whether the Secretary of State's claim that he did not brief the press despite issuing a press release requires an apology to this House. None the less, I wholeheartedly welcome the statement, now he has brought it to the House, just as I have welcomed innumerable statements of similar rhetoric from his predecessor. Can he assure me that attributing more substance to his statement than to all those previous statements made during the past 10 years is not a triumph of hope over experience? Can he explain, given his rhetoric and Freud's arithmetic, both of which I support and which suggest that the savings from getting people back to work should exceed the costs of doing so, why he requires more than a temporary increase in his budget to bring this about? More specifically, can he tell us what safeguards he proposes, so that fully disregarding child maintenance when working out income-related benefits will not create a direct incentive for couples to split up? When they are together, couples get no allowance for the income earned typically by the father in helping to bring up the children, and it is important to consider that. I hope that he has found a way of overcoming that, but if he has not, he should be aware of the problem.

James Purnell: The problem that we inherited from the right hon. Gentleman—he was one of my predecessors—is that the money was not put in to help people back into work. The Conservative Government cut benefits, not unemployment queues, and the number of those claiming incapacity benefit increased from 700,000 to 2.6 million. We now have a million fewer people on benefits precisely because we have been prepared to do what he never did: invest money in getting people back into work, rather than just paying the cost of the failure to do so.

The right hon. Gentleman is right to say that we want to put money into getting people back into work precisely to reduce the costs of their not working. That is exactly the right thing to do. In relation to child maintenance, we are trying to solve the problem of the way in which the Child Support Agency was created, which meant that benefits were going straight to the Treasury, not to parents. There was no proper incentive for people to give money to their ex-partner, because they thought it would go to the taxpayer rather than to the parent. This measure means that money will go to the children. It has been widely welcomed and it is absolutely the right thing to do.

Mr. Peter Hain (Neath) (Lab): I represent a coalfield community where, under the Conservatives' failed policies, thousands of people were thrown on to incapacity benefit and were more likely to die on it than ever to work again, so I very much welcome these reforms. However, may I press the Secretary of State specifically for clarification that lone parents will not be required to take a job unless affordable child care is available? I would also like a better-off calculation to be done for them, so that they are better off and their children can be rescued from poverty. The matter of couples should also be looked at carefully, particularly the way the tax credit system works, because it is often not worth their while to get into work and off benefit. Finally, the revolving door syndrome, whereby people get a job but then come back out of employment and cannot immediately

claim benefit or pay their mortgage, could become a problem that needs to be addressed. Dealing with those matters would help to ensure that the attempt to get genuinely full employment was successful.

James Purnell: On the first three assurances that my right hon. Friend asks for, I can say yes, yes and yes. On the fourth, I can say that that is absolutely the case, because of the work he did. He started the process of making sure that we assess tax credits, housing benefit and other benefits from the Department for Work and Pensions together in one office. We will now be able to roll that out across the country. We want to look at both how people can have stability when they go back into work and how housing benefit reforms can help to ensure that people have certainty that, when they go back into work, they will continue to get that level of funding. That is one of the fundamental points that we want to consider in the housing benefit reforms.

We are taking forward the radical reforms that my right hon. Friend put in place, particularly in relation to lone parents, and he is absolutely right to say that this is about helping the thousands of people—

Mr. Duncan Smith: Couples?

James Purnell: I gave the answer on couples—that was one of the three yeses. My right hon. Friend is right to say that thousands of people in all our constituencies were affected by that failure to put support in place. We will not repeat that mistake.

Sir George Young (North-West Hampshire) (Con): At the end of the Secretary of State's statement, he said that he would legislate to give disabled people the right to have choice in and control over services and support received from the state. I welcome that. He will know that local authority social services departments are introducing personally directed support over the next three years. Will the legislation cover the support that disabled people get from the national health service?

James Purnell: It will not cover things such as accident and emergency care, because that would not be the right approach. The NHS is running individual budget pilot schemes and we do not want to confuse the picture. It is right for the NHS to have such pilot schemes, for example, in relation to chronic care, because we are trying to build on previous individual budget pilots, which worked well, but had two problems: first, people sometimes did not have the powers to have individual budgets in practice and, secondly, although those pilots were good within particular funding streams, they were less good for allowing people to pull different funding streams into one budget. That is what this right will create for disabled people. We will have eight trailblazer authorities to see exactly how the measure will work in practice, and introduce legislation to roll it out if that is successful.

Mr. David Clelland (Tyne Bridge) (Lab): I have a constituent who, after working all his life, was diagnosed with a serious, life-threatening disease in his early 60s. He is now 63 and the Department's doctor has decided that, following treatment, he can now return to work and his incapacity benefit has been stopped. At his age, it is unlikely that the jobcentre will look seriously for a job for him and it is even more unlikely than any employer will take him on. Will my right hon. Friend consider allowing people of that age and in those circumstances the opportunity to self-certify for incapacity benefit—for the higher levels of the new benefit that he is proposing?

James Purnell: I do not know if we can go as far as self-certification, but I know that my hon. Friend has met ministerial colleagues about that case, which he feels is distressing. Those decisions are taken independently of Ministers by medical professionals, but I am happy to look at the case and see whether any general lessons can be learned for the work capability assessment, which will be part of the employment and support allowance regime.

John Mason (Glasgow, East) (SNP): I thank the Secretary of State for advance notice of his statement. We all support the idea that as many people as possible should be getting into work, but can he guarantee that the jobs will be there? It has been suggested that in my constituency, for every single job, there are some 33 people available and looking for work. Does he agree that it is the most vulnerable who are likely to lose out from this kind of proposal and that there must be a safety net and a minimum income for every person in this country? Does he also agree that it is the ordinary folk who currently struggle with the complexities and bureaucracy of the system and that the danger is that they will suffer in the future? Does he share my concern about some of the words used, such as "wasting money", "benefit savings" and "offenders", which suggest that the direction of this proposal is towards a Conservative policy?

Mr. Speaker: Order. The hon. Gentleman is a new Member, but can I gently point out that he should ask one supplementary question and not make a speech? He is not the first to make that mistake, but he will know that next time.

James Purnell: This is not about penalising the most vulnerable; it is about helping them and ensuring that they have support and the expectation that they will take up that support. It is worth pointing out that in the past 11 years, Scotland has gone from having higher unemployment than the national average to having lower unemployment than the national average, because of the policies that we have put in place. Unfortunately, I think that the SNP Executive—the hon. Gentleman can nod if he wants to—will refuse to have policies to help people with drug problems to address those problems, and will not supply treatment places. They are cutting training policies and apprenticeships, so that people will not have help to get back into work; and they are not going to use the NHS to help people to tackle problems of ill health at work. They are cutting away the very support that has helped people to get back into work during the past 10 years. That is a retrograde step and I hope that they will change their mind.

Mrs. Anne McGuire (Stirling) (Lab): I welcome my right hon. Friend's statement and ask him to recognise that some of the fears that individuals and organisations are expressing are founded on their experience during the '80s and '90s when, along with

[Mrs. Anne McGuire]

colleagues such as my hon. Friend the Member for Glasgow, South-West (Mr. Davidson), we had to manage training programmes that were little to do support or individuality. During the consultation on the White Paper, will he recognise those fears and emphasise that conditionality is about investment in people, not benefit cuts?

James Purnell: My right hon. Friend is absolutely right. I thank her for her help in developing the Green Paper and the White Paper and for all her fantastic work with disabled people. She championed the right to control and I am glad that we are putting it into legislation, as a tribute to the work that she did.

Miss Julie Kirkbride (Bromsgrove) (Con): Following the question asked by my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley), can the Secretary of State tell the House how he would explain to hard-working couples with families who struggle to pay all their bills and taxes how it is fair that parents who have separated should have their child maintenance disregarded for income-related benefits? Can he reassure the House that that change, unlike other Labour reforms to the benefit system, will not provide an incentive for couples to live separately in order to boost their incomes?

James Purnell: I can indeed give the hon. Lady that reassurance, because there are no child maintenance payments where the parents stay together. If money is being paid, it is right that it should go to the children. That is the right thing to do and it has been widely supported by organisations that represent poor children.

Jeremy Corbyn (Islington, North) (Lab): Has the Secretary of State considered the problem of the high level of private sector rents, particularly in major cities such as London? Families are routinely placed in private rented accommodation by local authorities, where the rents can be as much as £300 to £400 a week, and when people are offered jobs, they cannot afford to take them because they will be considerably worse off. Is he prepared to tackle such excessive rents and the need, I believe, for rent control and a housing benefit taper that reflects the problem that too many families face?

James Purnell: My hon. Friend identifies a problem that our housing benefit review intends to look into. The problem particularly affects inner-city London constituencies such as his, so if he and a group of London MPs would like to meet me to discuss it, I would be happy to work with him.

John Penrose (Weston-super-Mare) (Con): Will the Secretary of State provide a little more detail to that part of his statement where he said that instead of receiving jobseeker's allowance or employment and support allowance, crack and heroin users will receive a treatment allowance, alongside an obligation that they address their problem? Will he tell the House whether that is confined to just crack and heroin or whether it extends to other addictive drugs and alcohol? Will he also explain what protections he plans to build into the disbursement mechanism to reduce the risk of vulnerable drug addicts going out and spending the money inappropriately? Will he confirm that the obligation that they address their problems is a—

Mr. Speaker: Order. That is the hon. Gentleman's third supplementary.

James Purnell: The problem now is that people can receive JSA or ESA, but have no obligation to address their drugs problems. By sharing information across Government, we are ensuring that we have much better information about who has a drug problem. That is the right thing to do, because there is no point in putting people through a back to work regime if they have a serious drugs problem. The other problem in the system is that it is hard to check whether people are undertaking their treatment. We therefore think it right that, instead of being in the JSA regime, people should be on the treatment allowance. In return for that, however, they have to show that they are taking steps to address their drugs problem. Otherwise, the money will just go straight into drug dealers' pockets.

Mr. James Plaskitt (Warwick and Leamington) (Lab): I welcome my right hon. Friend's statement and I am sure that all of us who want to make our long-term commitment to abolish child poverty a reality will strongly support the White Paper. Given its emphasis on returning to work, does he agree that there will be an increased need for work readiness skills training and that colleges of further education and the voluntary and private sectors could have a role in delivering area and sector-specific programmes?

James Purnell: That is a very important point. Ensuring that the skills support we offer people is appropriate to them is one of the things that I am working on closely with the Secretary of State for Innovation, Universities and Skills. We want to ensure that that skills provision specifically addresses work readiness. FE colleges spend quite a lot of money on that already and we want to ensure that our work is supported. My hon. Friend knows that we are integrating skills into the welfare system. I thank him for his help in developing the housing benefit and social fund proposals that we are taking forward in the White Paper.

Anne Main (St. Albans) (Con): I noted with interest the Secretary of State's statement that the sanction for those not meeting the conditions would be having to work for their benefits. What will be the ultimate sanction for anyone who refuses to work for their benefits or to participate in a scheme? Who will monitor how well the schemes are working, if it is a private or public provider giving feedback on whether people are complying and getting something out of the system?

James Purnell: I hope that I can reassure the hon. Lady that sanctions are not enforced by private or voluntary providers, but by Jobcentre Plus advisers and expert decision makers. As is the case now, if people refuse to take a job, they can lose their benefits for six months—that has been in the system ever since 1911. If people fail completely to comply with the system, they lose their benefits for six months. That is the ultimate backstop, but virtually no one gets there, because people can avoid a sanction simply by ensuring that they do what is expected of them.

Tony Lloyd (Manchester, Central) (Lab): My right hon. Friend knows that my constituency still has relatively high levels of structural unemployment. His proposals today will almost certainly be welcomed as a way of tackling those structural problems. However, will he ensure that areas have the capacity relative to their needs, so that areas of relatively high unemployment such as mine have training places and the ability to enable people to return to work?

James Purnell: Yes, absolutely. That is one of the reasons why we are bringing forward the extra funding. However, just as the money is important, so too is devolving power to the people who can use it most effectively. We will make it clear in the White Paper that we want to devolve power to local authorities that want to work with us on tackling worklessness. Manchester is one area where we can make the greatest progress, because there is an opportunity to devolve power across Greater Manchester, to ensure that we deal with exactly the issues that my hon. Friend raises.

Sandra Gidley (Romsey) (LD): Further to the point made by the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), does the Secretary of State accept that there are times when some parents of children over seven need to be with their children, which means that full-time work might not be a realistic option for them? What assurances can he give us that parents who choose part-time work in the best interests of their children will not be financially penalised for doing so?

James Purnell: Within the regime for lone parents, they can choose part-time work after their child is seven if they think that it is the right thing for them. If a lone parent's child is disabled, they do not have to be looking for work. If there is a problem or crisis, such as the child being excluded from school, the system is flexible, in order to ensure that people can best balance looking after their children and working, exactly as the hon. Lady describes.

Mrs. Betty Williams (Conwy) (Lab): Will special consideration be given to the parents of children aged between six and 12 who have severe disabilities, especially learning disabilities, where the parents have a special caring role? My right hon. Friend will be aware that there was a carers' parliamentary lobby here last Thursday. Will the White Paper that he has described to us today link with the Government's response to the Select Committee on Work and Pensions report on valuing carers, which was published last August?

James Purnell: Yes it will. My hon. Friend made representations to me about her view that we should not go ahead with the proposal to move carers on to jobseeker's allowance. We have made it clear that we will not do that, but will look at the right approach as part of our work on long-term care and a single working-age benefit. On her first point, which she is absolutely right to make, parents who care for disabled children who receive carer's allowance will be outside the conditionality regime completely. If they are on JSA but their child receives the middle or higher rate of the disability living allowance, they do not have to look for work either. I hope that that reassures my hon. Friend.

Mike Penning (Hemel Hempstead) (Con): I listened carefully to the Secretary of State's reply to the point that the right hon. Member for Neath (Mr. Hain) made about the revolving door problem, whereby people who have gone into work but who cannot hold on to their job suffer when they go back on benefits. That problem exists today. I have written to the Secretary of State a number of times about people who have suffered from long-term sickness, particularly those with depression or drug problems, being petrified that if they do not hold on to a job—sadly, that happens—they will be unable to pick up the benefits that they need to survive. I am not talking about just housing benefit, but other benefits as well. Can we look into the problem now, as the pilots proceed, so that we can protect such people and encourage them into work, rather than scare them?

James Purnell: One of the key elements in the new employment and support allowance for the group that the hon. Gentleman is talking about will be the much greater ability for people to try out work while keeping their benefits. They will be able to do 16 hours a week work at the minimum wage, which will give people with depression, for example, the ability to try out something to see whether they can manage. It is important to point out that most people now recognise that being in work is a very good way of helping people with depression, but what the hon. Gentleman says is absolutely right.

John McDonnell (Hayes and Harlington) (Lab): We have 2 million unemployed, we are facing the longest and deepest recession in our lifetime, the Government have laid off 30,000 workers in the Department for Work and Pensions—the very people who are there to assist people to get back into work—and the lack of affordable child care has been admitted by the Prime Minister, yet we are threatening to withdraw benefits from some of the poorest people in our society. What measures will be put in place to protect the children in families that lose their benefits from falling into even more severe poverty?

James Purnell: This measure is about reducing child poverty. We think that our reforms to lone parent benefits will lift 70,000 children out of poverty, and it is right that we should do that. We know that, when a parent is working, their child is eight times less likely to be in poverty than if they are not working. It is also worth saying that, where we can make our Department more efficient, it is right that we should do that. We have used the reduction in the number of people working for us to increase the number of people on the front line: the number of personal advisers has increased by 1,500. Now that we have a rising claimant count, we have announced that we will be spending more than £1 billion more, and that means 6,000 more posts in jobcentres, which I think my hon. Friend might welcome.

Lynne Jones (Birmingham, Selly Oak) (Lab): Many of the measures in my right hon. Friend's statement are welcome, but what consideration is being given to the experience of bringing up children well and of creating a welcoming and stable home on a low income as being excellent preparation for paid work? What measures are in the White Paper to ensure that such work is valued, recognised and supported?

James Purnell: That is exactly why we are saying that the JSA regime should not be taken down to parents in that category and that people should instead be coming in and developing action plans that work at their own pace. If they do not want to go back to work when the child reaches one or two, or older, that is absolutely their right. That is the correct approach. We must ensure that people find out about the support that is available, including child care and Sure Start, and about the help that can enable them to bring up their children in exactly the way that my hon. Friend wants. I am happy to discuss this matter further with her, if she would like to.

Mr. David Hamilton (Midlothian) (Lab): Many decisions are taken in this House based on laudable principles, but the interpretation of the decisions and the way in which they are applied outside the House can be a real problem. As MPs, we are the first in line to have to deal with these problems. Will the Secretary of State ensure that we have direct access to a hotline, so that we can deal with these matters properly? May I also suggest that he meets the Secretaries of State for Scotland, Wales and Northern Ireland, because many of the vehicles for the provision of health services, nursery care and so on are dealt with by the devolved Administrations? If we are to carry these measures through, it is important that he meets those people to ensure that this can all be done properly.

James Purnell: I can give my hon. Friend that assurance. Indeed, it was the present Secretary of State for Scotland, when he was Minister with responsibility for welfare reform, who started this process off. I have also met representatives of all three devolved Administrations to ensure that we can work together. My hon. Friend is right to say that MPs need to be able to deal with any issues that their constituents raise, and I am happy to look into the possibility of a hotline. I will write to him to let him know more about that.

Clive Efford (Eltham) (Lab): Further to the question raised by my hon. Friend the Member for Midlothian (Mr. Hamilton), will the Secretary of State tell us what will be done to change the culture among some of the people in his Department? A constituent of mine, a bricklayer, suffered a hernia and had to undergo an operation. He contracted an infection and, while he was waiting for his fourth operation, he was told that he had not scored enough points on his incapacity benefit form. He had an open wound in his stomach, yet he was told that he was fit for work and that he should go on to jobseeker's allowance. That decision was callous and wrong, and it was not overturned on appeal. If we are going to deal with such people in the way that my hon. Friend has suggested, we need to deal with them as people and not through forms and box ticking. Will the Secretary of State assure the House that, where such a culture exists in his Department, it will be changed?

James Purnell: My hon. Friend is right to say that one of the big challenges here is to give advisers the flexibility and skills to help people in the right way. I am sorry that he feels that his constituent was not treated properly by the Department. Those decisions are taken independently of Ministers—that has always been the case—but I am happy to look into the case that he has raised. We need to ensure that people are treated according to their personal circumstances, and not according to whichever group of claimants they happen to be in. This is exactly what the Gregg review is about, and I hope that it will work on that issue.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Is the Secretary of State not being too soft in his approach to the dependency culture, particularly in relation to drug abuse? It sounds as though there is going to be a reward for drug abusers. Why is he not extending the treatment for drug abusers to alcohol abusers? Will he take my assurance that not all Glasgow Members of Parliament take the view that they have to stand up for rascals and chancers? We believe that the Scottish Government should be supporting this initiative from Westminster—even though it is from Westminster—to help decent people into employment.

James Purnell: I know that I shall need the help of the Opposition in the coming rebellion over how we are not being tough enough on drug users, and perhaps the hon. Member for Epsom and Ewell (Chris Grayling) will be able to help me with that. I am pleased that my hon. Friend welcomes the approach that we are taking, and I know that he also supports what Glasgow city council is doing on apprenticeships and getting people back into work. We have announced today that that area is going to have one of the pilots for the DEL-AME projects that we are introducing.

My hon. Friend mentioned drug users. We are prepared to look at including alcoholics, but it is harder to identify people who have alcohol problems. If he has any suggestions on how to do that, we would be happy to look at them. We offer specific help to people who self-identify, but if there are better ways of doing that, we will be happy to look into them. This is not about giving more help to people who are drug users; it is about ensuring that they go into treatment rather than just taking the money and spending it on drugs.

Kerry McCarthy (Bristol, East) (Lab): I very much welcome the clarification from the Secretary of State that the Gregg review's proposals for lone parents whose children have reached the age of one will not involve forcing them to go out and find work immediately, but will instead involve preparing for work. One of the best ways for such people to prepare for work might be to go into full-time education, but at the moment the system penalises them if, for example, they want to go to university full time rather than working part time. Will my right hon. Friend assure me that, as part of the review, he will ensure that people who want to do a full-time university course will not lose their other associated benefits, and that they will not be treated like a normal student? In that way, they will be able to take their course and, when their child reaches the age of seven, they will be able to have a decent career rather than a job that pays only the minimum wage.

James Purnell: I am relatively confident that the answer to that question is yes, but if it is not, I will write to my hon. Friend. People who are on JSA get different treatment from those on lone parent benefits, and that gives people the ability to study at the same time as claiming income support. I will write to my hon. Friend if that is not correct.

Rob Marris (Wolverhampton, South-West) (Lab): Under the last Conservative Government, those who were unemployed got almost no help. They were either shovelled on to incapacity benefit or expected to take jobs as security guards at £1 an hour—or, if they were lucky, they were able to join one of those wonderful job clubs. Under the Labour Government, the world of work has been transformed. We have a national minimum wage, increased health and safety, increased employment rights, increased trade union rights—although not enough, I believe—and the £40 premium for single parents. People also have a lot of help with child care, and those who are in work are generally better off through tax credits. Will my right hon. Friend assure me, however, that the reforms that he has outlined today—which I broadly support—will be dealt with sensitively? These are very sensitive issues for people.

James Purnell: Absolutely. One of the biggest challenges will be to ensure that our advisers are up to the challenge of ensuring that the reforms are implemented in a sensitive way.

Points of Order

1.38 pm

Mike Penning (Hemel Hempstead) (Con): On a point of order, Mr. Speaker. I should like to raise this point of order while the Secretary of State for Work and Pensions is still in his place. Tomorrow is the third anniversary of the Buncefield disaster in my constituency, and it will also see the conclusion of the health and safety inquiry chaired by Lord Newton. I praise Lord Newton and his team for the work that they have done. However, this means that, from tomorrow, the Secretary of State for Work and Pensions will no longer be responsible for that part of my constituency that has been destroyed. Many homes there are still uninhabitable and thousands of people are unable to return to their business premises, either because they have been levelled or because they are in a dangerous condition. Mr. Speaker, has any Minister told you that they intend to come to the House, three years after the disaster, to take responsibility for the rebuilding of my constituency, following a disaster that had nothing to do with any of my constituents?

Mr. Speaker: All I can say to the hon. Gentleman is that that is not a point of order, but what happened three years ago was a tragic situation. I can understand that any constituency Member of Parliament would want to highlight the problems that still exist three years on. I suggest that he applies for an Adjournment debate, to which the appropriate Minister could come to the Floor of the House to respond.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): On a point of order, Mr. Speaker. Last Thursday, the Financial Secretary to the Treasury made a written statement to the House concerning the closure programme of Her Majesty's Revenue and Customs offices. Of the Lerwick office in my constituency, it was said that it was to be retained, as the

"original analysis of staffing projections and available accommodation identified a good match."

Since that statement was made, however, I have learned that, of the three staff employed in that office, two are now to be deployed in another Government Department, and a third—the last remaining HMRC employee in my constituency—is to be transferred to the Inverness office. If that is not a closure, Mr. Speaker, I do not know what is. What can you do to protect my constituents when Government Departments go about their business in this way, which, to say the very least, lacks the candour that we are entitled to expect?

Mr. Speaker: The hon. Gentleman has put his remarks on the record. I hope that the appropriate Ministers read them and take note of his concern.

Debate on the Address

[4TH DAY]

Debate resumed (Order, 8 December).

Question again proposed,

That an humble Address be presented to Her Majesty as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

Foreign Affairs and Defence

1.40 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I am delighted to introduce this annual debate on the Gracious Speech, not least as the amendment tabled by the Leader of the Opposition does not mention foreign affairs or, indeed, any queries or questions about or condemnations of the Government's foreign affairs policy. I look forward to a debate that I can only assume will be more akin to a senior common room discussion than what sometimes passes for debate in the House of Commons. I hope that the House will understand that no discourtesy is intended when I leave the Chamber to spend two hours before the Foreign Affairs Committee later this afternoon, which means that I will not be able to hear all the speeches.

Every year seems like an important year in foreign policy, but 2009 promises what I think will be a unique combination of dangers and opportunities. The dangers are a global economic crisis, an unremitting terrorist threat, a closing window of opportunity to bring a two-state solution to the middle east, the threat of a nuclear-armed Iran and, in Africa, crises in Somalia, Sudan, Congo and Zimbabwe. It would be a mistake, however, to become so mired in challenges that we overlook the opportunities—not least a new US Administration who are committed to joint action on shared priorities in Afghanistan and Pakistan, on climate change and global warming, and on nuclear non-proliferation and international institutional reform.

Five foreign policy priorities will guide the Government's work. In all of them, we depend on the bravery, intelligence and dedication of soldiers, diplomats and aid workers. Many are at risk, and 305 members of our armed forces have lost their lives in Iraq and Afghanistan. We are truly in their debt and that of their families for their patriotism, their public service and their internationalism.

Mr. Tobias Ellwood (Bournemouth, East) (Con): I am grateful to the Secretary of State for giving way so early in his speech. He talks about soldiers, diplomats and aid workers, but there is concern among Opposition Members that there is not enough co-ordination between those three elements, particularly at ministerial level. The Secretary of State will be aware that this year has been the bloodiest ever in Afghanistan; in August there were 46 fatalities. There is a concern that we do not know who is in charge of Government strategy when it comes to Afghanistan. Is it the Prime Minister, is it the Foreign Secretary, is it the Secretary of State for International Development or is it the Secretary of State for Defence? It is time that that one person who is in charge of the overall strategy, which I understand is about to change, came here on a regular basis to give us a proper update.

David Miliband: It is, of course, the Prime Minister who is in overall charge—*[Interruption.]* It is the Prime Minister. I would never stand at this Dispatch Box and say that it is impossible for the Government to improve their co-ordination, especially in such a difficult area, but having visited Afghanistan, the hon. Gentleman knows as well as I do that on the ground, military forces, diplomats and aid workers are working very closely together. The biggest credit for that goes to them, but it does not happen by accident. For example, the new combined civil-military operation in Helmand, which I visited last month, is a demonstration of the commitment on the three Departments going together. It is also a demonstration of what we mean by a comprehensive approach, because they are working on the security, on the politics and the economics, and they are doing so with the Afghan forces, including Afghans elected to Government positions. As I said, I would never claim that there was no room for improvement, which is why the Prime Minister said last week that it is important to review our strategy, but I honestly say to the hon. Gentleman that levels of co-ordination are unmatched in the experience of people who have worked for a long time in the Foreign Office, the Ministry of Defence and the Department for International Development.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): In that case, can the right hon. Gentleman explain why no Minister is directly responsible for the stabilisation unit?

David Miliband: Precisely because it is a joint unit between the three Departments. By definition, if it is a joint unit, it reports to Ministers of all three Departments—

Mr. Ellwood: How do we hold it to account?

David Miliband: It is held to account by asking all of us about it, which Opposition Members quite rightly do. We are all accountable for it and we will all answer for it. If the stabilisation unit answered to only one Secretary of State, I would be here explaining why the other Secretaries of State were not also responsible for its efforts. The hon. Member for Bournemouth, East (Mr. Ellwood) asked for co-ordination, and that is what we are trying to give him.

Let me talk at the outset about counter-terrorism, because the terrifying events in Mumbai a fortnight ago were a reminder that global interconnectedness brings not just shared economic risk, but shared security risk. People of all races and religions were targeted; British nationals were held captive; Indian communities in the UK were worried about family members' safety. After the attacks, we dispatched a consular rapid deployment team to assist British nationals. We will continue to work with the Indian police and law enforcement agencies to investigate the crime and better secure that important country for the future.

Mr. James Arbuthnot (North-East Hampshire) (Con): Does the Secretary of State agree that one of the most chilling aspects of the terrorist attack was that the terrorists specifically sought out Jews in order to attack them? Does he agree that that needs to be condemned, particularly by people of Christian, Islamic and other religions?

David Miliband: I certainly agree with the right hon. Gentleman that the herding of staff and their family members from the Jewish centre in Mumbai into the heart of that centre and their killing was a completely atrocious event. I share with him the view that it is important that. whatever our religion, we condemn the killing of people of other religions. At the NATO Mediterranean meeting last week, it was striking to hear the French Foreign Minister explain to Arab colleagues that the two French people killed in Mumbai were both Muslim. That brought home to people the fact that at one level these were random attacks that killed people of all religions, as well as the fact that the targeting of the Jewish centre was particularly chilling. I of course share the right hon. Gentleman's condemnation of it.

Our first focus in the battle against extremism remains Afghanistan and Pakistan. The federally administered tribal areas and the border region are a crucible of insecurity and instability. President-elect Obama has identified the region as a top priority when he assumes office on 20 January, so in 2009 we will work with our allies and with the Governments of Afghanistan and Pakistan to strengthen democratic government.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Given that there is much talk of increasing the number of troops in Afghanistan, which I visited two weeks ago, what realistic hope is there of some of our coalition partners other than America putting forward troops, particularly on the front line, and not just relying on the US and the UK?

David Miliband: I will certainly come on to that, but it is good news that the French and Germans have increased their numbers. It is also striking that the Polish Government have promised to increase their numbers as well. It is certainly an issue that we need to address, but I am sure that the hon. Gentleman would agree, particularly as he has been to Afghanistan, that the greatest source of increasing numbers of troops will in the end come from Afghanistan itself. That is why the training and mentoring that I am about to mention are particularly important.

In Afghanistan, foreign troops will continue to be needed to provide the space for diplomatic and civilian efforts and to face down the insurgency. Of 50,000 NATO troops on the ground, 8,100 are British forces, making us the second largest military contributor. If we want to build Afghanistan's capacity to defend itself, which is after all why we are there, we need to focus on the training and mentoring of the Afghan national army. We have already helped to train about 65,000 members of the Afghan army. Whenever I have been to Afghanistan, it has struck me that the greatest testimony to those troops comes from our own forces who talk about going on patrol with Afghan forces and about the trust they have in them. As I said, we have already helped to train 65,000 members of the Afghan army, and over the next few years the plan is to double that figure. On the Pakistan side of the border, which I will try to emphasise on each of the four points I want to make about our strategy, we have also supported military-to-military contacts.

The second priority is to uphold the rule of law on both sides of the border. That is, by any estimate, more difficult than training the Afghan national army. Anyone who has been to Afghanistan will know that the problems in the police force outstrip even those on the army side. A strong police force and an independent judiciary, accepted by the population, are critical to building confidence in non-violent means of redress and in the Government themselves. We are supplying mentors to the EU police mission in Afghanistan who train police in criminal investigation skills. One important priority is to improve co-ordination between the European force there and the NATO attempts, under the district policing plan, to improve the quality of training, to ensure that police are trained for the challenges they will face in Afghanistan, which are at the very tough end of what policing is about.

It is also worth saying that we are working with the Government in Islamabad to extend the rule of law in Pakistan's tribal belt. One striking feature of the Pakistan army's efforts in the Bajaur area over the past three or four months is hearing it talk about the co-ordination with the international security assistance force on the other side of the border. That is the sort of joint operation that we need to see.

Patrick Mercer (Newark) (Con): Will the Foreign Secretary spare a moment to expand on our improving, or otherwise, relationship with the Pakistani intelligence service, the Inter-Services Intelligence?

David Miliband: The important thing to say is that big changes are going on within the Pakistani armed forces, led by the new Chief of Army Staff, General Kayani, whom I met in Islamabad two weeks ago. The hon. Gentleman will know that there is a new head of the ISI, General Pasha. The appropriate thing to say is that reform is obviously needed in that institution. We strongly want to support that reform. It is also strongly supported by the civilian Government. It is vital that, with a new civilian Government in Islamabad, it is clear to their population and to the international community that they have control over all aspects of the state machine in Pakistan, because otherwise people will lose faith in democratic government.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): On the civilian Government, is the Secretary of State having discussions with American colleagues about the use of a lot of the American aid that goes into Pakistan, which is also meant to go into the tribal areas, to ensure that it is used for rebuilding infrastructure?

David Miliband: Yes; my hon. Friend raises an important point, not least in the light of the Biden-Lugar Bill, sponsored by the now Vice President-elect in his previous capacity as a Senator, which proposed a tripling of American aid to Pakistan. We all know that it is not just spending aid money, but how it is spent and what it is spent on, that is vital. Certainly, an important part of our discussions will be on what is needed in Pakistan,

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which is, after all, a country where the military budget of its Government is three, four or five times that of the education budget—and that is before the military spending from the US is included, which totalled about $10 billion or $11 billion over the past six years. There needs to be a fundamental shift.

Mr. David Hamilton (Midlothian) (Lab) *rose—*

David Miliband: I shall take one more intervention and then, if I may, I shall make some progress.

Mr. Hamilton: A serious discussion is taking place in America about it recognising India as a preferred partner, as opposed to Pakistan. Does my right hon. Friend agree that it would be a mistake for the President-elect to consider that, because we should be supporting the delicate democracy in Pakistan?

David Miliband: My hon. Friend is right that it is important that the United States has good relations with both India and Pakistan. The civil nuclear deal that has been agreed between India and the United States brings India within the remit of the International Atomic Energy Agency for the first time. Given the proliferation that has occurred though the A. Q. Khan network, there are particular sensitivities and difficulties about the relationship between the US and Pakistan on the nuclear file, but asserting the need for both Pakistan and India to have good relations with America—and they need to be comprehensive, not just military—is an important part of discussions.

A third part of the drive in Afghanistan and Pakistan is the need for a clear political strategy for supporting democratic leadership in both countries. Next year and 2010 will be critical for Afghanistan, with presidential elections and then parliamentary elections planned. We need to help the Government to register voters and to provide security so that people are free to cast their votes. We will continue to support the Government in Pakistan and work to cement the democratic transition in these very difficult times, not least with the multilateral Friends of Democratic Pakistan group, first convened in September.

The fourth and final aspect is development assistance to ensure that citizens on both sides of the border have access to basic services and opportunities for education and employment, because underdevelopment and lack of opportunity provide fertile ground for extremism. We have committed about £190 million to Afghanistan for 2008-09, and are doubling our assistance to Pakistan, which by 2011 will be the UK's second largest aid programme after India, the Indian aid programme obviously declining as Indian economic wealth grows.

Today is the 60th anniversary of the universal declaration of human rights, and there is arguably no greater threat to human rights than conflict. The European continent has had the longest period of continuous peace since Roman times. However, while 2008 saw conflict averted in the Balkans, conflict returned to the Caucasus. In 2009 we need to learn the lessons: continued pre-emptive deployment of military and civilian missions in the western Balkans, combined with systematic political outreach to all the countries of the western Balkans, using the lure of European Union membership to help drive internal reform; and hard-headed engagement with Russia, standing up for the independence, sovereignty and democracy of newly independent nations on Russia's borders, while also engaging Russia on issues of mutual interest.

Further afield, there is, unfortunately, hot conflict festering. Next year needs to be a decisive year in the Arab-Israeli conflict. I fear that unless it is, the prospect of a two-state solution will slip away. As I said in our debate yesterday, 2008 has seen close Israeli-Palestinian dialogue, a new Israel-Syria dialogue, and a fragile ceasefire in Gaza, but settlement activity is undermining the viability of a Palestinian state on 1967 borders. Meanwhile, the increased fragmentation and disunity of the Palestinians threatens to make it harder for them to implement, if not agree, a deal. When people visit and talk to ordinary citizens on both sides, as many of us have done, it is clear that they are losing faith in the peace process.

Jeremy Corbyn (Islington, North) (Lab): Will the Secretary of State use this opportunity to condemn the Israeli blockade of Gaza—the denial of food, water, energy and medical supplies to people there—the devastation that it is causing to people's lives, and the bitterness that it is creating? Does he not think that Israel must be held responsible for what is collective punishment?

David Miliband: I am happy to repeat what I have made clear on many occasions, both publicly and privately with the Israeli Government, which is that the delivery of food, medicine and energy into the Gaza strip is essential to remedy what is a disastrous humanitarian situation. Equally, it is important to say that the rocket attacks that continue to come out of Gaza are the other side of the coin. They fuel the argument that when Israel vacates land, that land is then used to attack Israel. The misery of the Palestinians and the insecurity of Israelis are two sides of the same coin, and there are responsibilities on both sides.

It is increasingly apparent to me that the only solution in the middle east is a genuinely comprehensive solution—what I call a 23-state solution that ties in not just Israel and Palestine, but all the countries of the Arab League, building on the Arab peace initiative of 2002. The logic is simple. Only a comprehensive solution offers Israel what it really craves—stability and security in the region—and only with Arab political support will the Palestinians be willing and able to do a deal.

The Government will work hard towards a comprehensive solution over the coming year. It will mean working closely with Israel—always a beacon of democracy in the region, it is worth remembering—in the run-up to elections in February and beyond. It will also mean further concerted work with the Palestinian Authority on security and economic development. It will mean more systematic engagement with the Arab world, including Syria, which faces big choices in 2009, but has a big opportunity to contribute to regional stability. It will also mean active, high-level engagement with the new US Administration and EU partners. All these things we are committed to do.

In Iraq, 2009 will also be a year of elections. In January, Iraqis will go to the polls to elect new provincial councils. Later in the year, they will vote for a new national Government. We will continue to work to help

the Iraqi Government build their capacity in the security sector, working with the Iraqi security forces and police. As the Prime Minister has said, we expect a fundamental change in our mission in Iraq in the first half of 2009 as we complete the tasks set out in his statement to the House in July: the training of the Iraqi 14th Division in Basra, transferring Basra airport to Iraqi control, pushing forward economic development, and providing the necessary support for the provincial elections to be held in January next year. That fundamental change will mean a shift from a military focus on Basra to a whole-Iraq approach that centres on close co-operation with the Iraqi people across the spectrum of politics, economics, human rights, culture and trade.

Mr. Edward Davey (Kingston and Surbiton) (LD): Given that both the Foreign Secretary and the Prime Minister have said that there will be a fundamental change in the British mission in Iraq, is it not now time to announce an inquiry into the Iraq war?

David Miliband: As the hon. Gentleman knows, we do support an inquiry into the origins of the Iraq war, when our troops are safely home. An hour and a half ago, very unfortunately, Members in all parts of the House had to come together to mourn the loss of a British soldier last Thursday. That shows the continuing danger that our troops face. It is important for us to have the inquiry, but it is also important for us to have the inquiry when our troops are safely home, and I assure the hon. Gentleman that that is our intention.

Sammy Wilson (East Antrim) (DUP): On a recent visit to Iraq, a number of us observed the pride taken by those serving on our behalf in the work that they were doing in rebuilding the area surrounding Basra and training the security forces and army. They made very clear their belief that they had an important job to do, and that they were doing that important job and doing it proudly. They also made it clear that they did not want to see their work undone by a political decision to pull them out quickly before it had been completed. May we have a an assurance that the foundations that have been laid will be built upon before any quick decision is made?

David Miliband: Yes. Let me say, in the nicest possible way, that many Members do not feel that we have been quick, or over-hasty, in making a decision to withdraw our troops from Iraq. I think that we have shown considerable commitment to ensuring that, in the hon. Gentleman's words, the job is properly done.

I am sure that when the hon. Gentleman was in Basra he had a chance to hear about the progress of the 14th Division. He will have observed not just the professionalism of our own people, but the fact that we are building up a professional force that is able to guard the security of Iraq. I am grateful for the kind and appropriate words that he used about the work of our own forces.

Harry Cohen (Leyton and Wanstead) (Lab): Will the Foreign Secretary explain why the Government have such an abysmal record in connection with the refugees—more than 4 million—who have fled their homes in Iraq and had to leave the country? *[Interruption.]*

David Miliband: Someone just mentioned translators, but that is not the information for which the hon. Gentleman has asked. I am happy to put on record, in the Library of the House, the facts about the locally engaged staff whom we have helped with financial aid in Iraq and with resettlement in the United Kingdom. Those facts are quite contrary to some of the sensationalist newspaper reporting, and I urge Members to look at the details that I am placing in the Library before making allegations about our treatment of locally engaged staff.

As for the 4 million refugees who are in surrounding countries, I do not accept that it is our record that is abysmal. Along with the Iraqi Government, we are committed to the efforts being made to build an Iraq that is safe for all its people. I know that the Iraqi Government want the Iraqi refugees to return as soon as possible, and I know the views of the countries in which they are now. I discussed the issue when I was in Syria, where there are nearly 1 million refugees. I think it important for us to work for a safe Iraq that can welcome back its people.

Mr. Stewart Jackson (Peterborough) (Con): May I return the Foreign Secretary to the issue of an inquiry into the war? He will know that my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) has already cited historical precedents, pointing out that inquiries have taken place while our troops have been in the field. Why does the Foreign Secretary think it was appropriate for the United States Congress to undertake a thorough review and inquiry, but it is not appropriate for us to do the same?

David Miliband: For the same reason that it is entirely appropriate for four House of Commons Committees to hold inquiries. We have had a whole debate about the inquiry, there will be an inquiry, and I think that we should leave it at that.

Nick Harvey (North Devon) (LD): Will the Foreign Secretary give way?

David Miliband: Yes, for the last time.

Nick Harvey: The Foreign Secretary has restated the position that the inquiry should take place when our troops have withdrawn. Is he seriously saying it must take place after the last man is out? I thought that the intention was to leave a few hundred there on a long-term basis even after we had withdrawn battlegroups next year. Surely we are not going to wait until the very end of that process.

David Miliband: No, we are not. We are not going to hide behind the idea that the last troop must have come home. We have always made it clear that our commitment is in respect of combat troops, and we intend to honour that commitment.

I am sure that all Members will share our concern about the situation in the eastern Congo. In November, the United Kingdom co-sponsored a United Nations Security Council resolution to reinforce the UN mission, MONUC, with an additional 3,000 troops. Those troops

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are desperately needed to try to maintain the ceasefire and allow aid agencies to address the humanitarian situation, and we will aim for rapid deployment.

I am certain that the best way in which the international community can help to provide security in the east is through an enlarged UN force. However, on Monday the General Affairs and External Relations Council asked Javier Solana rapidly to prepare options for EU assistance in the eastern DRC, including the option of European military contributions to MONUC, at the request of the Secretary-General of the UN, Ban-ki Moon.

Mr. Robert Walter (North Dorset) (Con): The Foreign Secretary visited the DRC at the beginning of November with his French counterpart. He is aware that the United Kingdom currently provides one of the European Union battlegroups, which is deployable at 15 days' notice. In the intervening period, MONUC has received no assistance. Can the Foreign Secretary tell us in what circumstances a battlegroup would ever be deployed by the European Union?

David Miliband: The circumstances are obvious. A battlegroup will be deployed when that is the most appropriate response to the problem that exists. It should be remembered that we backed the UN resolution calling for an extra 3,000 troops, with, I believe, support from Members in all parts of the House. We think that, for all the arguments about a single command and control structure, MONUC should be the first port of call for extra troops. We should increase the size of MONUC, and that is what we are trying to do. Today, as it happens, I had a productive meeting with the Nigerian Foreign Minister to discuss the ability of a range of countries to support extra troops for MONUC, and we intend to ensure that that happens. However, the Secretary-General of the UN has asked the EU to examine its options, and that is what we will do.

The answer to the hon. Gentleman's question is that the European battlegroup should be deployed when that is the best option, and when it is feasible.

Jeremy Corbyn: I thank the Foreign Secretary for giving way to me a second time. Can he make it clear, first, that any troops sent from anywhere to the Congo will be under the direct command and control of MONUC and within its orbit, and secondly that their deployment will be accompanied by a robust, active and effective peace negotiation and peace process so that we are not sucked into a war about resources in which neighbouring countries become involved?

David Miliband: The troops would not be under UN authority if they consisted of an EU battlegroup. That does not mean that there are no circumstances in which the EU could deploy—after all, Operation Artemis deployed in 2003, although in rather different circumstances—but if an EU battlegroup goes to the Congo, it will not be a UN force. It will operate in parallel with other forces.

Mr. Davey *rose—*

David Miliband: The hon. Gentleman will have a chance to make a speech later, but I will give way to him.

Mr. Davey: I am grateful to the Foreign Secretary. He has told us that on Monday Ministers instructed Javier Solana to respond to the UN Secretary-General's request for more troops from the European Union. Will he say a little more about those instructions? Did the Ministers ask Javier Solana to respond positively—to say that the European Union would send more troops—or was the intention to explore options in the interim, presumably with member states? What is Javier Solana actually going to do?

David Miliband: He is going to respond to the UN Secretary-General's request for a bridging EU force, and examine its feasibility and desirability.

Yesterday the hon. Gentleman referred to a large number of countries which, at the European General Affairs and External Relations Council, had said that something must be done in the name of Europe. Let me gently say to him that none of the countries that said that something must be done were willing to put their own troops into the mix to help to get it done. I think that that demonstrates that Javier Solana has quite a difficult job to do in addressing both the feasibility and the desirability of a force. However, he is acting in good faith, and we will certainly support him. I imagine that the issue will be discussed tomorrow night at the European Foreign Ministers' dinner, or at least in the margins of it, and I shall be happy to report to the House on the progress that Javier Solana is making.

Let me now respond to the point made by my hon. Friend the Member for Islington, North (Jeremy Corbyn) about the political process. Any troops must accompany a viable political process, which is why we are supporting former Nigerian President Obasanjo's mediation between the rebels in the National Congress for the Defence of the People and the Government of the DRC. Relations between the Rwandan and DRC Governments have shown signs of improvement in recent weeks, since the visit with French Foreign Minister Kouchner, and they have agreed a joint plan to tackle the FDLR—the Democratic Liberation Forces of Rwanda—militias, but we will need to maintain the political pressure if real progress is to be made.

Political process along both axes of the conflict in Sudan is vital, too. We will continue to support the United Nations-African Union mediation over Darfur, as well as full implementation of the north-south comprehensive peace agreement. In both the DRC and Sudan, our humanitarian spend is one measure of our political commitment. We are Sudan's second largest bilateral donor, and during 2009-10 total DFID spending in the DRC will rise to £100 million.

In Zimbabwe, we are already the second biggest bilateral donor, along with the US. The cholera epidemic has now precipitated a state of national emergency and we are stepping up our humanitarian response to help to alleviate the appalling suffering, but the long-term future depends on political change. There is unanimity across the House on the cause of Zimbabwe's descent into ruin: the Government of Robert Mugabe. There was unanimity last July when the Government urged the UN Security Council to apply direct pressure on the

regime. I hope there can be unanimity today in honest explanation to the British public of the following points: that there can be no solution in Zimbabwe without the engagement of neighbouring African countries; that we should remain committed to offering our support for a broad-based Government reflecting the March election results; and that the UN is an appropriate forum to discuss this issue, because there is no way Zimbabwe can be considered an "internal affair". I also hope there will be unanimity that we must reiterate time and again our commitment to, and preparation to help, the people of Zimbabwe with thorough-going economic, social and political support when they have a Government who can credibly advance their interests rather than abuse them.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): Does the Foreign Secretary agree that the only external non-violent action that would force non-violent change in Zimbabwe would be if the South African and Mozambique Governments agreed on an oil embargo and the prevention of electricity imports to Zimbabwe? Does he also agree that if South Africa refuses to take such action, the situation in Zimbabwe has now reached the stage where under the international community's overwhelming responsibility—the responsibility to protect, which is now part of UN doctrine—it would be appropriate for consideration to be given on humanitarian grounds to deploying a military force if necessary, under UN approval and if possible with the approval of the AU, to ensure the end of the suffering? The situation of the Zimbabwean people is deteriorating, and without such action it could continue to deteriorate for many months to come.

David Miliband: The right hon. and learned Gentleman raises important and difficult issues that deserve a serious response. We have thought a lot about the fuel issue, but the sad truth is that the last people who would be affected by a fuel blockade would be Robert Mugabe and his cronies. Therefore, we have to think very carefully before recommending a course of action that would mean—I use the following word advisedly—death for people who are dependent even on the minuscule supplies that are reaching medical centres and other places in Zimbabwe. I say that while in no way denunciating the right hon. and learned Gentleman's suggestion or implying any lack of humanity in it, because the current situation is completely inhumane, but I am very wary of our playing God by condemning some people who are dependent—literally for their lives—on fuel supplies by saying fuel should not be supplied.

The right hon. and learned Gentleman is right in his broader point about South Africa. South Africa is suffering the most grievous damage as a result of the descent into chaos in Zimbabwe. It is suffering from between 3 million and 4 million refugees and now six cases of cholera. It is in South Africa that the greatest power lies.

The precedents in respect of military action are not auspicious, and I think that that discussion should be left for the moment.

Mr. Michael Ancram (Devizes) (Con): Following on from what the Foreign Secretary has just said, does he accept that the situation in Zimbabwe has not arisen overnight, but that it has been developing over a long period? One of the reasons why there is such cynicism about the international community's reaction to Zimbabwe is that there is always a lot of rhetoric but there is not any action. If we are to release the people of Zimbabwe from the oppressive tyranny under which they have suffered for so long, at some point the international community will have to take the sort of action my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) is talking about, and this Government should have the boldness to suggest it.

David Miliband: The commitment to action not just words was best exemplified when we went to the UN Security Council last July. It was tough enough to get a meeting. It may seem incredible in this House that it is hard to get a UNSC meeting to discuss Zimbabwe, but there was strong opposition to having a meeting on the grounds that this was the "internal affairs" of a sovereign country. We then proposed, and pushed to a vote, a tough global sanctions resolution on members of that regime. It was vetoed twice, by two countries. I do not say that in order in any way to suggest that we should not have gone to a vote; I think it is right that we went to a vote—I think it is right that countries had to stand up and be counted on the position they were willing to take. We were willing to do this, but the right hon. and learned Member for Devizes (Mr. Ancram) is talking about much graver measures than sanctions on individual members of the regime, and I say to him that two countries vetoed that resolution last July. It gives me no pleasure at all to say that we were right in our warnings that Mugabe would defy the mediation process that was created. I agree with the right hon. and learned Gentleman that the credibility of the international community depends on taking action in cases such as this, but the action was not allowed by the rules of the international community, and we must all take that on board.

Kate Hoey (Vauxhall) (Lab): I pay tribute to the Foreign Secretary for the work he has done on this issue over a long period. He seemed to disregard the views of the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind) about a boycott and closing off the borders to petrol and diesel. Does he not agree with the President of Botswana, who said in this very place that he felt that would be an extremely good idea and it would bring about the end of the Mugabe regime within a week?

David Miliband: I pay tribute in return to my hon. Friend, who has done extraordinary work on this issue over a long period. I hope it was not felt that in my answer to the right hon. and learned Gentleman there was any sense of disregarding or denunciating the suggestion, because it was made in good faith and it is a serious suggestion—and whether we should advocate it is, of course, discussed. What I tried to explain in my reply to the right hon. and learned Gentleman was the genuine dilemma we face.

We see a situation of crushing inhumanity—of death and destruction on a completely needless scale—and we face an option that is put forward perfectly legitimately that would, by any estimate, add to that death and destruction in the name of a change in the regime. The reason why we have so far come out against that policy

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is that the death and destruction it would impose would impact last on the members of the regime and first on the most vulnerable members of Zimbabwean society. That is in no way to disregard this suggestion, and I hope it did not seem that my response was dismissive. As I have said, it deserves a serious response, but in seeking to tackle the cause of the current death and destruction we all have to weigh up whether or not we are ourselves willing to cause death and destruction to completely innocent people. That is something we have not been willing to do, both in respect of the fuel issue and the trade issue, which also raises difficult questions.

I wish to make one other point on this topic. I think we all believe that Morgan Tsvangirai won a presidential and parliamentary victory in the elections, and at no stage has he advocated this policy. That is an important point to remember when we think about what is the right thing to do in these circumstances. At no stage has he advocated that, either publicly or privately.

Sir Malcolm Rifkind: I am very grateful to the Foreign Secretary for giving way again. It is undoubtedly the case that some innocent people would die if there were an oil and electricity embargo, but that argument would have much more force if there were not already tens of thousands of people dying, and that number is likely to multiply if this policy of inaction by the international community—I am not criticising the British Government; I am talking about the international community—were to continue.

I would be the last person to argue for what is in effect regime change for a political objective, but we are dealing with an overwhelming humanitarian objective. I recall the extraordinary paradox that it was the Vietnamese who got rid of Pol Pot when they intervened in Cambodia and ended that ghastly regime. I suggest that, with the authority of the UN and the AU, a similar objective could be achieved in Zimbabwe, with minimum loss of life and to the enormous relief of the people of Zimbabwe as a whole.

David Miliband: I take seriously the experience with which the right hon. and learned Gentleman speaks. What I say to him is that we could not get a majority for sanctions on individual members of the regime—*[Interruption.]* I assure hon. Members that it remains pretty difficult to do so. We could not go beyond that. He raises a point about death and destruction, saying that some people would die if there was a fuel blockade and that the process would be short. I do not think that one can guarantee that. We are talking about life and death decisions involving potentially tens of thousands of people. He is right to say that mass slaughter—mass death—is going on at the moment, but a blockade would certainly hasten that. I repeat that the regime would be the last to bear the burden of any such blockade.

I have tried the House's patience for a long time and I have tried to be generous in answering questions, so I think I should finish my speech and then allow others to speak. I want to cover the root causes of conflict. Our work on tackling those must be backed up by counter-proliferation treaties and restrictions to curb the fatal flow of weapons. That is why I was in Oslo last week to sign the convention on cluster munitions—over the course of 2009, we will encourage other countries to sign it too. We will also endeavour to accelerate work towards an arms trade treaty.

The most lethal and immediate proliferation challenge is the nuclear one. This Government have made it clear that they are committed to a world without nuclear weapons, as per our non-proliferation treaty responsibilities. US President-elect Obama has done the same, so we will work with the US and other allies to bring the comprehensive test ban treaty into force, thereby banning all nuclear weapons test explosions. Early US ratification would do much to encourage the few states remaining outside to follow suit. We will also work together to push forward multilateral negotiations on a treaty to end the production of fissile materials for nuclear weapons, thus helping to make reductions irreversible, and to secure renewed agreement among all NPT states that tougher prevention measures are needed to tackle proliferation in the future.

That brings me to the issue of Iran, which will be one of the most difficult issues in 2009. Iran continues to increase its enrichment programme in the face of repeated International Atomic Energy Agency requests for more access and information, and in defiance of five UN Security Council resolutions. The threat is real—we are talking about a matter of years, not decades—and in 2009 it will continue to grow with every day that passes, as Iran continues to enrich and to increase its capacity to enrich, so we need urgently to make diplomacy work. That means a more vigorous pursuit of our dual-track approach: the pressure of sanctions coupled with the promise of engagement and reintegration if Tehran co-operates with the UN Security Council and the IAEA. If Iran continues to ignore the UN Security Council and disregards the requests of the IAEA, it will face increasingly tough sanctions and worsening diplomatic isolation. The alternative is for it to accept the E3 plus 3's generous offer of June this year, which would give Iran financial and technological assistance to develop its civilian nuclear capacity—that is what it claims to want—and a range of other benefits. We will lead the effort to make its choice clear, through national measures and with our partners in the EU and UN.

As our June offer made clear, we are not opposed to Iran or other countries having access to civilian nuclear capacity, as long as there is absolute confidence that there is no leakage into a nuclear weapons programme. Far from being opposed, we see civilian nuclear technology as a crucial part of the answer to climate change and energy insecurity, but we need to manage the risks that this technology might be diverted for more malign purposes.

In the past three years, climate change has become a foreign policy issue discussed annually in these debates. Today, I have time to say only that although a high-growth global economy is essential, it is only half the story. The Government's goal is a high-growth, low-carbon global economy. We cannot afford to defer energy efficiency and the drive for low-carbon fuels, because the short-term and long-term case for acting now is compelling.

Equally, amid the financial crisis we must not lose sight of the millennium development goals. Some $17.5 billion was committed at the high-level event at the UN General Assembly this September. The UK

remains on track to meet our Gleneagles commitments, but too many of our partners are not. In addition, there is a growing risk that donations will fall away, despite the fact that the poorest countries, whether resource rich or resource poor, are often hit hardest by global shocks. We need to keep leading by example.

In order to deliver on this broad and ambitious agenda, we will need to work with partners and allies, and to mobilise collective action through international and multilateral institutions; I have already mentioned the new US administration. But if we want the multilateral architecture to continue to be the basis for international engagement and co-operation in the 21st century, we need to build support for reform. The economic crisis has highlighted the failings of the international financial architecture and should help to galvanise support for our efforts to reform the International Monetary Fund and the World Bank.

We now need to update the world's political architecture to ensure that its contours map the new distribution of power, and regional structures are important in that. Massive progress towards peace and prosperity has been spurred by the creation of, first, the European Economic Community and the subsequent development of the European Union. Nation states have learned to come together to share power, not to dilute their national identity but to reconcile it with the reality of economic, social, political and environmental interdependence. The EU has an important role to play in each and every one of the priorities that I have identified today: nation building in Afghanistan and Africa; European security and defence policy missions in countries ranging from Congo, Chad and Somalia to Bosnia, Kosovo and Georgia; the provision of humanitarian aid, which totals €750 million and helps 20 million people across 50 countries; and leadership on climate change.

A global Europe that capitalises on its soft power by keeping the door open to further enlargement keeps countries in the western Balkans and eastern Europe moving in the right direction and engages, rather than isolates, Russia. But we also need a global Europe that builds its hard power, not as a threat to NATO, which, in its 60th anniversary year remains the cornerstone of European defence, but as a complement to it. France is on the verge of the historic decision of fully rejoining NATO, because it recognises its indispensable role. The US welcomes stronger EU efforts, both military and civilian, in the security sphere—

Mr. David Heathcoat-Amory (Wells) (Con) *rose—*

David Miliband: I am sorry, but I have given way more than enough.

The US welcomes those stronger efforts because it agrees that such efforts strengthen our collective security, as Europe is doing in Georgia and the Balkans, and off the horn of Africa. We need to see this regional drive replicated elsewhere, notably in Africa, through the development of the African Union, but global problems require global solutions, and in that regard we need fundamental reform of our institutions, notably at the UN. The deal is simple: with power should come responsibility. For emerging, or re-emerging powers, there is a two-way street of recognition and respect, and obligations. For the previously dominant powers, such as the UK, the obligation is to continue to earn a place at the top table. That is what this Government are committed to doing.

2.26 pm

Mr. William Hague (Richmond, Yorks) (Con): The combination of circumstances in world affairs presents some of the greatest dangers for decades: nuclear proliferation; widespread conflict in Africa; immense tensions in the middle east; and widespread terrorist outrages. It also presents a major opportunity in 2009, because a new Administration in Washington have the best opportunity in a long time to win new friends for the United States, our greatest ally. I believe that this House should welcome the experienced team that President-elect Obama has put together in foreign affairs and defence, and hope—I believe the Foreign Secretary was expressing this hope—that the middle east peace process will, indeed, be one of their highest priorities, because unless a two-state solution is agreed soon, it may never be agreed. I hope that they will truly bring all the power and momentum that comes from being an American Administration who have four or eight years in office ahead of them.

The sombre nature of the background to our debate has been underlined by the scale and severity of the terrorist atrocities in Mumbai. In the face of those despicable outrages, to which the Foreign Secretary referred, we have all affirmed this country's strong support for the Indian authorities in their efforts to identify the orchestrators. It is encouraging that the Government of Pakistan have offered high-level co-operation and have made several arrests, because the whole world looks to them to do everything possible to work with India on this vital matter, including making further arrests, as appropriate, although we are mindful of course that Pakistan has itself been the victim of a massive terrorist attack within the past few months.

This House is also united in wishing to see the entrenchment of democratic government in Pakistan, which is much the best hope for its fragile economic position and for the defeat of terrorism. That message was strongly conveyed in Pakistan by my right hon. Friend the Leader of the Opposition and I when we visited in September, and it has also been conveyed by the Foreign Secretary on his visits. Indeed, he has made many international visits over the past few weeks, and we welcome the initiatives that he has taken on Bosnia, which we discussed yesterday, his visits to the Gulf and to Damascus, and the emphasis he has placed on the middle east peace process.

As an aside, I must say that in the summer the Foreign Secretary was meant to be going on a tour of Britain, but he has ended up going on a tour of the world instead. Evidently, when the Prime Minister gets a more secure position within the Labour party, the Foreign Secretary thinks that leaving the country regularly is more attractive to him than stirring up trouble in the country. We must recall that in the summer he was insisting, in that famous press conference with a bemused Italian Foreign Minister—the tour did at least get as a far as Carlton gardens—that he

"wanted to support Gordon's leadership."

He could not actually say that he had succeeded in supporting that leadership at that time. But since then he has been all over the world and has avoided what he

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calls "Heseltine moments", although in case he drifts away from that practice, we are keeping a careful eye on the Mace.

Although, as the Foreign Secretary says, there is a lot of bipartisanship in foreign policy—as I will illustrate—he regretted that foreign policy was not mentioned in the amendment tabled by the Opposition. That is the amendment to be voted on at the end of tomorrow's debate, which is about public services. Not surprisingly therefore the amendment is about public services. When he was saying that, the hon. Member for Kingston and Surbiton (Mr. Davey) muttered "Astonishing", but the Liberal Democrats have not tabled any amendment at all, which the House might think is even more astonishing. It has never been our practice as the Opposition to divide the House on foreign policy during the Queen's Speech, and if the Foreign Secretary thinks that the Opposition should behave differently, he may soon have the opportunity to make such decisions for himself.

It is a powerful feature of British foreign policy that outside the area of European institutions, which we debated yesterday, so much of it enjoys broad bipartisan support, whoever is in office. That is certainly true of several tragic situations in Africa.

Mr. Ancram: My right hon. Friend mentioned Pakistan. Does he agree that it would be helpful to the Government of Pakistan if we could persuade our US allies to stop using unmanned aerial vehicles to attack civilian targets in that country?

Mr. Hague: The most helpful thing would be for Pakistan itself to take on the full responsibility of ensuring order in the tribal areas, and to continue to improve and enhance the efforts that the Pakistani authorities have made in recent months to try to tackle the Taliban and other groups in the tribal areas. If the Pakistani Government exercised their full responsibility to do that, some of the situations to which my right hon. and learned Friend refers would be less likely to arise.

In a question to the Foreign Secretary, my right hon. and learned Friend asked about Zimbabwe, which we also discussed yesterday, and I do not want to go over the same ground again—

Harry Cohen: Before we leave the point about bipartisanship in foreign policy, how does that square with the fact that 68 per cent. of the British population do not want British troops in Afghanistan? Should not the Opposition reflect that?

Mr. Hague: The Opposition should say what they think is the right thing to do, and not necessarily be governed by opinion poll. I will, of course, come to Afghanistan in the course of my remarks—the hon. Gentleman would be astonished if I did not—but I wish first to address some of the situations in Africa.

We did discuss Zimbabwe yesterday, and we welcomed the ban on 11 further members of the regime—and called for its proper enforcement by EU nations this time. We hope, as do Ministers, that more African nations will join the leaders of Kenya and Botswana in saying unequivocally that Mugabe must go. The President of Botswana has called—as hon. Members have said—for a fuel blockade, which is a very difficult judgment to reach. I accept the Foreign Secretary's description of that as a matter of life or death. I suspect that were we in office we would come down on the other side of that judgment, because it is a matter of life or death either way for the people of Zimbabwe, but I understand how difficult it is to make that choice. It is also clear that if the responsibility to protect, to which UN members have signed up, means anything, the UN Security Council should authorise strong sanctions or direct intervention in Zimbabwe. The difficulty is—and this is perhaps the only respect in which I part company with my right hon. and learned Friend, who speaks with great authority and experience on these matters—that there is currently no authority from the UN or the African Union to take such action. I hope that the Government will find stronger support at the UN Security Council than they found earlier in the year, and when they again actively raise the issue of Zimbabwe, they will find that the views of some countries have changed. We continue to believe that it is vital to prepare for the day after Mugabe, with huge aid, security reform and a new and improved Administration, with an over-the-horizon force—supplied by African nations—ready to go in when that is possible and necessary. All those points remain valid, but it is the responsibility of African leaders and nations now to say that Mugabe must go. The need to take action on that is paramount.

Sir Nicholas Winterton (Macclesfield) (Con): My right hon. Friend will know of my long-standing and deep interest in Zimbabwe. Will he accept that the UK has a special responsibility in that country, bearing in mind that we brought it to independence and presided over the election of Mr. Mugabe? Does he also accept that we may have to consider seriously intervention in Zimbabwe to save the people from starvation and hyperinflation, and now even the tragic disease of cholera? Mr. Mugabe is no longer fit to govern: what are we going to do about co-operating with Africa in seeking intervention?

Mr. Hague: My hon. Friend makes a powerful point and he does have a long-standing interest in these issues. He refers to co-operating with Africa, and that is the nub of the point. Direct intervention in Zimbabwe without the co-operation of South Africa or legal sanction from the UN would be a very difficult thing to bring about. However much we may wish for what he describes, we have to recognise that reality. That is why we must encourage African nations to shoulder their share of the responsibility. It is a crisis that now affects them directly, including people in South Africa and other surrounding nations, but if they stepped up to the plate, it would make all the difference and would allow this country, alongside many others, to bring about the change that we all want to see.

Mr. Richard Benyon (Newbury) (Con): Does my right hon. Friend share the concern I felt when I heard recently of a conference of what one might describe as the next generation of African leaders in that region who all expressed the view that Britain was complicit in part of the problem because of what happened at Lancaster house? A major job needs to be done by this and other Governments to educate people that the land issue was resolved at Lancaster house and is not part of

the problem. The Zimbabwean Government had the option to purchase large amounts of land that they could have distributed among the population. Instead, they kept it for the coterie of thugs around Mugabe. More could be done to educate the next generation of African leaders, who have great potential to help to resolve this problem.

Mr. Hague: My hon. Friend makes a powerful point. He is right, and the story to which he draws attention is part of the corruption, mismanagement and despotism with which Robert Mugabe has destroyed his country. This country can be proud of what we have tried to do in Zimbabwe in the past and in recent years, but now we need stronger co-operation from South Africa and other neighbouring states to bring what we hope for to fruition.

We must not forget that the conflict in Darfur goes on—the Foreign Secretary also referred to it. Out of 6 million Darfuris, 5 million are either in camps or relying on food aid to survive. The humanitarian operation there is becoming ever more hazardous, and access to refugees has become increasingly restricted: 11 aid workers have been killed this year. The House will recall that in July last year the Prime Minister and President Sarkozy announced that Darfur would be one of their top priorities and committed themselves to doing everything possible to bring the necessary international presence there, but, 16 months since UN Resolution 1769 was passed, the UN-AU mission has only 10,000 troops and police—less than half what was intended—and is still desperately short of the helicopters that are essential for its effective operation. I accept that the Government share our concern about this state of affairs, but it is now abundantly clear that the Sudanese Government will not act unless under pressure. I hope that Ministers will therefore consider calls for sanctions on the regime. I hope that they will also take a deeply sceptical attitude to the proposed suspension of International Criminal Court proceedings against President Bashir of Sudan in return for Khartoum's co-operation on other issues—a suspension that risks sending the message to some of the world's despotic leaders that they can act with impunity while the international community watches but does not act, which is another parallel with Zimbabwe.

More prominent in the headlines has been the appalling violence in the Democratic Republic of the Congo, which was also referred to by the Foreign Secretary. We support the Government in hoping that the talks led by former Nigerian President Obasanjo will be successful. Again, we are concerned about the delay in the deployment of additional UN forces that was authorised on 20 November. The Belgian Foreign Minister has talked of a European force being sent to the DRC while reinforcements of UN peacekeepers are awaited. We would appreciate more information from Ministers, perhaps after this weekend's summit, about whether it is proposed that that would happen.

Next in the pattern of under-resourced peacekeeping forces and intermittent international political will has been the situation in Somalia and off its coast. The African Union force in Somalia is deployed with barely a third of the troops required under its mandate. Ethiopia has announced that it will soon withdraw its troops, raising the prospect of further violence. The security vacuum is fuelling piracy in the gulf of Aden and beyond. It is almost unbelievable that large-scale piracy can take off to such an extent in the modern age, but the fact that it has done so requires a decisive international response.

Of course, naval forces, including our own, are now doing sterling work off the horn of Africa, but I suggest to the Government that two aspects of that work require further attention. First, three naval operations appear to be taking place in the region involving a combined international taskforce, a deployment of the standing NATO maritime group and now an EU maritime operation. Would it not be better if there was a single command for the currently separate EU and NATO missions, especially since NATO is reported to be considering a significant expansion of its operation?

In addition, the rules of engagement appear to differ for the three different missions and there have been some suggestions that the Government have discouraged the Royal Navy from detaining pirates because that might breach their human rights or tempt them to claim asylum in the United Kingdom—

The Secretary of State for Defence (Mr. John Hutton) *indicated dissent.*

Mr. Hague: I am asking whether that is the case, because it was reported in the newspapers. I know not to believe things that are written in the newspapers, but we have to ask Ministers whether they are true. I hope that when the Defence Secretary winds up the debate he can say what the Government are doing to cut through the legal tangle and to find some solution whereby regional states can help in prosecuting apprehended pirates or whereby a temporary international court could be set up to try those who are accused. Without a major international effort to deal with those issues, it seems unlikely that piracy can be defeated and deterred.

Patrick Mercer: Can my right hon. Friend shed any light on why the Government promised before the Queen's Speech to give extended powers to the Royal Navy and other forces in dealing with instances such as the piracy that he has just mentioned yet seem to have dropped the idea completely from the transport security Bill?

Mr. Hague: I share my hon. Friend's puzzlement. He is really asking a question of the Defence Secretary, who will reply to the debate, through my speech. As the Defence Secretary is scribbling furiously, I hope that he will answer that question in addition to those that I have raised about the Government's approach.

Let me turn to the middle east. It is a matter of great relief that the situation in Iraq has continued to improve through the course of this year. In welcoming the fact that our troops should be able to withdraw from Iraq in the coming months, we must never lose sight of the fact that 177 British armed forces personnel or MOD civilians have died serving there and that our forces have now been deployed there for more than 2,000 days, a commitment that is now longer than that for the whole of the second world war.

Alongside our hopes for continued improvement in Iraq, are there not now several issues of particular concern to us in British-Iraqi relations? One of course is the legal status of our troops in Iraq after the expiry of the UN mandate at the end of this month. The Defence Secretary has said that the Government expect to conclude

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an agreement at the end of the year, but I hope that he will be able to tell us when the negotiations began, what the terms might be and what link will be established to the agreement on US forces in Iraq. Very little information has been given to Parliament and there has been no statement on this subject.

I hope that the Government will also raise energetically with the Government of Iraq the human suffering wrought by the targeting of Iraq's minorities, including its Christian population. I hope they will also emphasise the situation of Iraq's 4.7 million refugees and displaced people, some of whom are in an increasingly desperate position. The situation is a recipe for instability and radicalisation in the region and must surely be a high priority for this country and our allies in our discussions with Iraqi Ministers.

The Opposition continue to believe that parliamentary accountability and the scrutiny of foreign and defence policy need to be improved, with regular quarterly reports to Parliament of objectives set and goals attained when our troops are deployed overseas in action. The complexity of Iraq's politics, its military situation and the need for strong regional support mechanisms for the Iraqi state easily merit a full day's debate in this House, particularly given the expenditure of £6.5 billion of taxpayers' money on our operations in Iraq.

The impending withdrawal of our forces brings us to two other issues. First, it was announced to the press overnight last night:

"The withdrawal of the 4,000 British troops in Iraq will be completed by next June, a senior defence source has disclosed"—

[Interruption.] I am reading from a newspaper article, but the reports appeared in several newspapers, and in the absence of Government announcements the rest of the House has to make do with what the newspapers say. The report goes on:

"The Prime Minister is expected to make an announcement in the New Year laying out the timetable"

for the troops to pull out. Other newspapers lay out the rest of the timetable, saying that the withdrawal will begin in March and will be finished in June.

If it is true, that information should have been given to Parliament in the form of a statement to the House of Commons. If it is not true, the Foreign Secretary, who is shaking his head, can get up and say so. The reports have the appearance of an authoritative leak and since this time national security is involved, perhaps it might be appropriate for the perpetrator to be arrested.

The Government deplore leaks by day and live by them by night. Ministers either have no control over their Departments or are deliberately sanctioning such behaviour. I hope that when the Defence Secretary winds up the debate he will tell us which of those alternatives is true and whether the leak is correct. He can deny it if he wishes to do so.

We certainly hope that our troops can be withdrawn from Iraq as soon as is consistent with the security of that country, but if announcements are good enough for the newspapers, they should be good enough for the House of Commons. The other issue, which we have debated many times already in the House and which has already been brought up in questions to the Home Secretary, is the question of a full-scale inquiry into the origins and conduct of the war. In a speech in Abu Dhabi two weeks ago, the Foreign Secretary said that

"despite good intentions in Iraq, and current progress, it is clear that serious mistakes were made."

He must surely agree that if that is the case, it is important to examine what those mistakes were and what has been done to ensure that they will not be repeated.

When we last debated the issue in the House, on 25 March, the Foreign Secretary said that

"there is agreement across the House that an inquiry into the Iraq war will be necessary...The dispute between us concerns not substance, but timing."—[*Official Report*, 25 March 2008; Vol. 474, c. 52.]

Since the Government now speak of "tasks completed" and "fundamental change" in our mission in Iraq, and are happy to see it announced in the press that the major deployment of British troops will come to an end in June, it must surely be time for them to make clear their intentions on an inquiry. Once again, I serve notice that if they fail to do that, we will return to the issue during this Session and the continued absence of an inquiry, or its setting up on an inadequate basis, will be rectified immediately on the election of a Conservative Government.

The issues of parliamentary accountability and learning from mistakes bring us to the situation in Afghanistan, which is now much more alarming than that in Iraq. Once again we have British forces performing a role that is nothing short of heroic. The problems they face hardly need restating, so I shall restate them only briefly. Support from other NATO members is either insufficient in quantity or too hedged about with caveats, the civil aid and reconstruction programme is still not sufficiently well co-ordinated, the drugs trade continues on a vast scale and partly finances the insurgency, local police forces are ineffective and mistrusted and corruption still appears to be endemic in the Afghan state. That is quite a list of problems.

It is clearly not within the gift of the British Government to solve all the problems on their own, but it may be no exaggeration to say that the fate of Afghanistan may rest on the review of strategy being conducted by General Petraeus, and on the new momentum that President-elect Obama clearly intends to bring to this area. It seems likely that the US will send a large number of additional troops to Afghanistan and that it will expect other NATO nations to do the same, alongside making a commitment to deploy some troops in the south, where British forces have borne the brunt of the fighting. That should be welcomed, but I hope that Ministers will be clear that any request for additional British forces will be considered in the context of the severe overstretch of our armed forces and their equipment, and of the disproportionate share of the burden that British troops have carried over the past three years.

Like the Government, the Opposition have not ruled out supporting some increase in the level of British forces. We have gone out of our way to support the Government over Afghanistan and we always support our troops when they are deployed in combat but, if we are to support a further increase in our troop levels in Afghanistan, we would expect from the Government a clear explanation of the military necessity and purpose of such a deployment, an increase in the number of helicopters to ensure that our troops are properly mobile,

improvements in equipment and protection for our troops, better co-ordination of aid and less corruption and better governance by the Afghans.

Furthermore, any additional British commitment should be accompanied by greater commitment by other NATO allies and a step change in the level of their effort and readiness to engage in actual fighting. It should be part of a revised and comprehensive strategy covering all the civil, political and military aspects that I have already mentioned, and it should be followed by improved communication to Parliament of British objectives and the progress in meeting them.

It is only through tabling written questions that we have learned that the UK

"has been asked to provide assistance to a US-led review of American defence and security policy",

and that the Government have

"provided a combined team to contribute to this work."—[*Official Report*, 10 November 2008; Vol. 482, c. 877W.]

We were also told that the team is now "fully embedded" in the American review process, and that it consists of 17 of our officials in Washington drawn from the Ministry of Defence, the Foreign and Commonwealth Office and the Department for International Development.

In another written answer—because we have had no recent parliamentary statement on the matter—we also learned on 10 November that the Government had established a "formal review mechanism" this year to produce a detailed periodic assessment of the situation in Afghanistan. Three weeks later, the Prime Minister announced it to the House as if it were a new development. We welcome the review, but it is something that should have been done on a cross-departmental basis at the beginning of the conflict, not many years into it, and it should lead to regular reports to the nation.

The situation in Afghanistan is obviously at or near the top of the foreign policy priorities of the new Administration in Washington, and so it should be. Alongside it, presumably, will be the ever more urgent need for a diplomatic solution to the impasse over Iran's nuclear programme. The plain fact is that Iran today is on the verge of acquiring a nuclear weapons capability, with all the massive risks that that brings of nuclear proliferation in the middle east or war with Israel.

According to the latest report by the International Atomic Energy Authority, by next month—that is, January—Iran will have accumulated a stockpile of nearly 1,000 kg of low-enriched uranium, an amount considered to be enough to produce 20 kg of weapons-grade uranium, or enough for one nuclear weapon after further enrichment. What stands between Iran and that goal is not, unfortunately, a united international community, but a series of technical hurdles whose resolution is only a matter of time.

We do not know, of course, what opening will be made to Iran by the new US Administration, but we do know that time is running out if the world is not to enter a new era of nuclear insecurity. And whatever initiative the US takes, the chances of Iran responding positively to it must surely be increased if President-elect Obama is speaking from a position of strength and of strong but peaceful European pressure on Iran.

It is now more than a year since the Prime Minister announced that he was working for a ban on European investment in Iranian oil and gas fields, yet as of today there are no restrictions on European companies making new investments in such fields. There is still no formal Europe-wide ban on export credit guarantees that subsidise trade with Iran, and a swathe of Iranian companies are still involved in Iran's nuclear programme, which the United States has targeted but which European nations have not.

I am sure that the Foreign Secretary agrees with me that America's carrot will be more attractive to Iran if Europe carries a bigger stick. We recognise that it is difficult to achieve European agreement on these issues but it is galling to hear Iran's deputy Commerce Minister boast, as he did last month, that 67 per cent. of Iran's $140 billion foreign trade in 2007 came from Europe, and from Germany, France and Italy in particular. He also said:

"EU members are not paying any attention to the UN resolutions against Iran".

I think that that was an exaggeration, but the fact that he felt able to say that is alarming in itself. The looming danger of Iran's nuclear programme means that we need the EU as a whole to adopt the sanctions that we have called for. It should impose a formal ban on export credit guarantees, mirror US financial sanctions and place unequivocal restrictions on investment in Iranian oil and gas.

That brings me to the final and most important point that I wish to make. The Foreign Secretary talked briefly about one of the great challenges facing the world—climate change. We very much agree with him about that. Climate change is increasingly taking up the Foreign Office's allocation of personnel and resources. It is one of the great challenges facing the world, and I hope that at some stage we can have a debate—or get more information from the Government—about how the resources of the Foreign Office, which are now deployed quite heavily on the issue of climate change, are being used. We also need to know how the deployment of personnel working on climate change—for instance in Brazil—actively serves to influence other nations' climate change policies. This House must be able to make an assessment of that.

However, alongside that vital priority, the Iranian situation reminds us that nuclear proliferation is the other great issue facing the entire world. It seems entirely possible that within the next decade the great danger posed to our national security by international terrorism will be overtaken in magnitude by the dangers of nuclear proliferation. As the Foreign Secretary rightly noted towards the close of his speech, the non-proliferation treaty, which is subject to an international review conference in 2010, is under assault from within, with its member states locked in recrimination and stalemate. It is also being assailed from without, by the actions of countries such as Iran and North Korea and by the sheer march forward of science, which is making it easier by the day to acquire and to peddle nuclear technology.

Jeremy Corbyn: Does the right hon. Gentleman agree that one of the non-proliferation treaty's limitations is that it automatically excludes Israel, India and Pakistan? Might not a better way forward be to promote a nuclear weapons convention, a proposal currently being led by Australia? That might create a better forum for nuclear disarmament.

Mr. Hague: It is certainly a weakness of the non-proliferation treaty that the nations to which the hon. Gentleman refers are not signatories to it. That is undoubtedly true, but I am rather sceptical about whether it is possible to invent a completely different vehicle that is more effective than an updated, improved and strengthened non-proliferation treaty. Even with the absence of those three countries, many features of the treaty are essential to preventing proliferation elsewhere. We should not turn a blind eye to the sort of initiatives that he mentions, but we have to work with the framework that we have.

I hope that the British Government will launch and help to lead a massive diplomatic effort to persuade other nations to accord counter-proliferation the very highest priority in international affairs. We welcome the steps that the Government have already taken to put Britain at the forefront of the debate on nuclear weapons reductions and to propose a means of bringing the fuel cycle under international control, including hosting a conference on the matter next year. However, in my view such action now needs to be raised to a higher level of political priority and governmental commitment, from the Prime Minister down.

The Opposition have put forward a package of eight proposals for the strengthening of the non-proliferation treaty. Among the initiatives to tackle nuclear proliferation we propose concrete steps to improve our ability to disrupt the financing of nuclear proliferation, to enhance our ability to track and block the trade in nuclear weapons technology, to strengthen the IAEA and the international system of safeguards and inspections, and to close loopholes in the non-proliferation treaty.

We hope that the Prime Minister and the Foreign Secretary will make a major push—and major speeches for international consumption—on that vital matter, and that they seek a common approach with America that could combine the influence of one of the world's most powerful nuclear weapons states—the US—with the moral authority of the UK as a nuclear weapons state with a very good record in reducing its own nuclear arsenal.

Sir Malcolm Rifkind: Will my right hon. Friend give way?

Mr. Hague: I am on my last paragraph, and I said that I had given way for the last time, but given that it is my right hon. and learned Friend who asks, I will give way.

Sir Malcolm Rifkind: I am grateful to my right hon. Friend, and I applaud what he just said. Does he agree that it would make an enormous contribution towards the likelihood of the non-proliferation treaty being continued, and would put far greater pressure on Iran, if the United States and Russia, which both still have approximately 5,000 strategic nuclear warheads—infinitely more than they need for their mutual defence—could be persuaded to initiate negotiations? President Obama has implied that he would be willing to support such negotiations for a massive further reduction in the number of nuclear warheads of the two powers, which, together, have 95 per cent. of the world's nuclear weapons.

Mr. Hague: Certainly, we should hope for that, and the Governments that my right hon. and learned Friend mentions should take the lead. Perhaps the new US Administration will follow up on what happened under previous US Administrations, and perhaps there will be further massive reductions in those still colossal arsenals. Of course, people do not always recognise the many things that have been achieved in that area. Thousands of Russian nuclear warheads have been powering part of the American electricity grid for some years. That is one of the successes for non-proliferation and for co-operation between Russia and the United States. As for whether that process could go much further, and whether it would enhance the moral authority that we need if we are to persuade other countries not to develop nuclear weapons, the answer is yes, absolutely; I agree with my right hon. and learned Friend.

Harry Cohen: Will the right hon. Gentleman give way?

Mr. Hague: I had better conclude my remarks.

Harry Cohen *rose—*

Mr. Hague: The hon. Gentleman is so nice that I will give way to him.

Harry Cohen: The right hon. Gentleman has said some fine words on a couple of issues, certainly on Iraq and on nuclear non-proliferation. I agree with him that the latter needs a much higher priority. However, the situation was made worse by the United States' deployment of missiles in other European countries; the Russians responded to that badly. Did he and his party support that deployment of US missile defence? Did he speak up against it, as part of his approach to non-proliferation?

Mr. Hague: I am a little worried to hear that the hon. Gentleman is in such agreement with me; that is a little disturbing. More seriously, we are at least able to differ on the issue that he raises. When one looks at the dangers of proliferation and of the Iranian nuclear programme, one finds that the basis for, and rationale behind, the plans that the United States put forward for missile defence can clearly be understood. The issue has to be seen in that context. That is why he has not heard words of condemnation on the matter from the Opposition. Before he and I fall out about anything else—we have agreed on so much—I will conclude with a point on non-proliferation.

If we stand back from our daily preoccupations, from varying crises and from any party political issues, we see that non-proliferation is perhaps the most important subject of all in our international work, and it is an issue on which Britain can make a decisive difference. If the Government launch an initiative like the one that I mentioned, they will find solid and enthusiastic support across the House.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I remind the House that a 15-minute limit will apply to Back Benchers' speeches as of now.

3.3 pm

Dr. Kim Howells (Pontypridd) (Lab): I thank my right hon. Friend the Foreign Secretary and the right hon. Member for Richmond, Yorks (Mr. Hague) for

giving the House a real sense of the great sweep of problems that have to be confronted across the world. I will deal with a very small part of those problems, but an important part for our country, namely Afghanistan.

We are entering a more difficult phase in our efforts to convince the British public that the cause of Afghanistan is worth the sacrifice of young lives. The public's perception of the Afghan war is changing. The huge media coverage earlier this year of the death of the 100th British serviceman in Afghanistan, and the death of the first servicewoman, pushed the war firmly into the limelight. The death of 128 of our brave young people in a war that has already lasted longer than the second world war raises increasingly difficult questions, most of which have been eclipsed until now by the ongoing controversies generated by the Iraq campaign.

We should assume nothing about the impact of the Afghan war on the British public. One does not have to possess special powers to predict that, as the Afghan war grinds on, the people of our country will express concerns that we have heard little about to date. They will be generated by a whole range of worries, from President Karzai's habit of publicly maligning Britain's armed forces and aid agencies whenever he considers it necessary to grandstand before an Islamist audience, to the apparent ability of the Taliban and their allies to terrorise areas of Afghanistan that were considered Taliban-free not so long ago.

One of the most corrosive elements in the conflict is Afghan corruption at institutional, provincial and personal level; it is that which threatens most seriously the future of the whole international effort. It is worth recalling that the aim of the effort, stated briefly, is to help that country to become an entity that resembles a normal state, capable of delivering the basic security and services required by most people in most states in the 21st century. If the true dimensions of the corruption are not recognised, Governments such as ours will continue to pour precious resources into Afghanistan and continue to cause the lives of soldiers and other brave, talented people to be sacrificed, with little to show for it when it comes to helping to create that desired normal state.

The United Kingdom's strategy in Afghanistan is to effect a transition from international dependence to sustainable local ownership, but the character of those who are most likely to become the local owners of that sustainable independence is among the most pressing of Afghan problems. Institutionally, Afghanistan is corrupt from top to bottom, and there are few signs that the chaotic hegemony of warlords, gangsters, presidential placemen, incompetent and under-resourced provincial governors and self-serving Government Ministers has been challenged in any effective way by President Karzai. On the contrary, those individuals appear to be thriving, not least because Hamid Karzai has convinced himself that he cannot afford to sack or challenge the strongmen who, through corruption, brutality, power of arms or tribal status, are capable of controlling their territories and fiefdoms.

President Karzai has been treated with kid gloves by most of the international community, perhaps because there does not appear to be a great queue of credible candidates to replace him. That is the wrong kind of love to lavish on President Karzai. He needs tough love, and that is precisely what he is not getting both in relation to the need to hit corruption and, as I shall argue, in relation to the need to extend dramatically the efforts to promote reconciliation—clearly, there has to be reconciliation if the war is not to drag on for a great many years to come.

We will be asked, quite properly, why the lives of our service personnel should be risked if the Afghan Government are unwilling to tackle seriously the corruption, administrative indolence and incompetence of those charged with extending the remit of good governance in that country. We will be asked why we are fighting to preserve what looks remarkably like a regime that is being undermined by corrupt, self-serving cliques that have access to the very highest levels of Afghan politics.

If those concerns promote a powerful lobby in this country for the abandonment of Britain's role in the current UN-led campaign to help the Afghans to create sustainable peace and democracy, there will be extremely serious consequences for the ordinary people of Afghanistan, because there have been achievements, and they are worth listing. They include democratic elections, significantly more females in education, more availability of health care, more paved roads, improvements to agricultural projects and—perhaps most importantly in the context of Britain's security—the denial to al-Qaeda, or AQ, of safe bases in Afghanistan for terrorist training and planning. Achieving the latter was, of course, the prime reason for our going there in the first place in the months following the terrorist carnage on 11 September 2001 in New York.

The problem is that it is difficult to see how, militarily, al-Qaeda's protectors, the Taliban, can be excluded entirely from Afghanistan and prevented from terrorising and killing people, given the mountainous topography and the porous nature of the frontier with Pakistan. Even in 2008, there remain just over the border in Pakistan large refugee camps where the influence of the Taliban and other extremist Islamic groupings is powerful. These camps are full of young men without jobs or prospects, and they will remain for many years to come fertile recruiting grounds for Taliban fighting units and suicide squads.

The training camps in Pakistan run by the likes of Lashkar-e-Taiba and their front organisation, Jamaat-ud-Dawa, have equipped and conveyed criminals to murder innocent people from Mumbai to London and from Kenya to Argentina. There is little chance that the Afghan and Pakistani Taliban and other Pakistani-based extremist groups will see their safe havens close to the Afghan-Pakistan border subjected in the near future to Pakistan Government control. The murder of 180 people in Mumbai is just one of the most recent of scores of obscenities. Quite properly in my opinion, fingers have been pointed at Lashkar-e-Taiba and their protectors in Pakistan. What is certain is that they have learned the lessons of the Sunni insurgency in Iraq.

In 2007 our ambassador to Kabul informed the world that it would take western forces 30 years to make Afghanistan a normal country. This prediction is at the more precise end of a spectrum of guesses—in America, for example, there are all manner of theories about how long it will take to put Afghanistan right, as Americans say. I am certain that our ambassador to Kabul knows as well as any of us that it is not tenable to assume that we can convince the British public of the case for a 30 years war in Afghanistan. I sense that he was talking

[Dr. Kim Howells]

about 30 years being the sort of perspective that the world needs to have when it comes to helping the Afghans to create sustainable peace in their country.

We will not find it possible to convince the British public that we should continue fighting across even vaguer time scales, such as "for as long as it takes" or "for the long haul". We may use these overly convenient phrases, but they will not stand up to close questioning by anyone familiar with the reality of contemporary Afghanistan and neighbouring Pakistan and Iran.

I have been reminded many times by military commanders in Afghanistan and by historians in this country that the Soviets had more than 150,000 well equipped service personnel in Afghanistan in the 1980s, engaged in killing Afghans without having to worry about infringing international standards of human rights, but that did not prevent their defeat by a relatively lightly armed Afghan resistance movement that used to its advantage not just the hostility of most of the population to the Soviet occupiers, whom they considered ruthless and godless, but the nature of the Afghan terrain and its close proximity to the safe havens afforded by Pakistan.

The UN, ISAF, NATO and the US are not the Soviets. Almost certainly they are not loathed by most Afghans to the degree that they loathed the Soviets. Equally certainly, we must remember that the Afghans do not especially love us either. Understandably, given their experiences over the past 30 years, they equate outsiders with trouble, especially outsiders carrying guns. We assume that they prefer us to the Taliban and they most probably do, but our experience in other wars against guerrilla armies, especially in Northern Ireland, has taught us that it is almost impossible to erode completely the vital support that ordinary citizens are prepared to offer to those insurgents who reflect even small shreds of popularly held sentiment. It is obvious that there is no shortage of anti-foreign-occupier sentiment in Afghanistan.

If we cannot win an outright military victory, how do we attain our desire to help to transform Afghanistan into something resembling a normal state, and for how long do we pursue that desire? Forget the nonsense about being prepared to fight on the mountains and plains of Afghanistan for the next 30 years. Once the reality of that claim sinks into the minds of the British public, it will be rejected as a dangerous and dismal fantasy. People will not accept the notion that British families should be prepared over the next decades to send their sons and daughters, grandsons and granddaughters to risk their lives fighting religious fanatics, tribal nationalists, corrupt warlords and heroin-traffickers in one of the most godforsaken terrains on the face of the earth. The notion is daft, however much we may try to rationalise it by arguing that it is better to fight al-Qaeda over there than over here.

We know, tragically in my opinion, from the failure of our considerable efforts to persuade our NATO allies to shoulder a greater part of the war fighting burden in Afghanistan that their commitment to the campaign is limited, constrained as it is by the political realities back in their home countries. I was glad to hear my right hon. Friend the Foreign Secretary report that, these days, the French and the Germans are making more sympathetic noises about deploying forces and resources to Afghanistan. I saw no real signs of willingness among far too many of our NATO allies to take upon their shoulders a greater part of the burden of ensuring security in the dangerous south and east of Afghanistan.

Those countries are flunking their duties as NATO members, for the Afghan campaign is a test of NATO's credibility. The Governments of NATO states cannot acknowledge that the nature of international conflict is changing—that it is generated less by the need to defend the borders of sovereign states and more by the need to combat terrorist groups that pay little heed to borders of any description—and not acknowledge at the same time that to counteract those changes it is vital that all allies co-operate and share equally the dangers in conflicts like that in Afghanistan.

There are ways of reducing the conflict to proportions that are manageable by the Afghans themselves, but they will involve greater emphasis than has been witnessed so far on promoting reconciliation among the factions, tribes and governments of that country. I have no doubt that the war-fighting will continue for some time to come. We can chase down and capture or kill the bad guys for the next 30 years, but that will not win for Afghanistan a sustainable peace and the chance of relative economic prosperity.

There must be dialogue between the hostile factions. Images must be created of what life could be like for those fighters and their families who may be persuaded to lay down their arms and take up offers, perhaps, of accommodation, land to farm, seed to plant and stock to rear. They must be convinced that they will be safe and valued, the equal of all other Afghan citizens, not exploited by the corrupt, violent placemen of Kabul and the gangsters who control so much of the country.

That means that President Karzai and the Afghan Parliament have to do two things. First, they must create a much stronger and more influential body to promote reconciliation than the largely ineffective national and independent peace and reconciliation committee that exists at the moment. They can do that. Secondly, they must convince the people that they will seek with much greater energy to do away with the scourge of institutional corruption, lawlessness and injustice. They must convince the millions of ordinary Afghans that peace will bring justice, fairness and prosperity and not more of the iniquity that they witness around them now.

3.18 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): The hon. Member for Pontypridd (Dr. Howells) made a very thoughtful speech on Afghanistan, which was even more compelling given his recent service in the Foreign and Commonwealth Office. I shall make similar remarks when I turn to the Afghan situation later in my speech. He spoke about servicemen and women, the sons and daughters, grandsons and granddaughters of our constituents. When we debate foreign policy, the implication is that we are asking them to put their lives on the line, knowing the impact that that has on them and their families. It is appropriate that we remember that during our deliberations, especially on the Queen's Speech.

It is right to remember, as the Foreign Secretary did, the victims of the Mumbai terrorist outrage. Hon. Members in all parts of the House send our huge

support to the Indian Government as they tackle the terrorist threat. I was pleased to see the British Government offering material and practical support to efforts to apprehend the terrorists, to work with India to deal with all the problems related to that, and hopefully also to help to diffuse the tensions with Pakistan that have arisen as a result of that terrorist outrage.

The right hon. Member for Richmond, Yorks (Mr. Hague) said, rightly, that many aspects of foreign policy are conducted on a bipartisan basis. When we can find agreement across the House, this country's voice is much stronger. I agree with an awful lot of what he and the Foreign Secretary said. If it seems that my remarks focus on issues about which we do not agree, that is simply because the nature of this debate is to make sure that we persuade each other of the right way forward.

The right hon. Member for Richmond, Yorks ended his speech by referring to nuclear non-proliferation, and I strongly agree with him about that issue. He may be surprised to discover that I read his recent speech in which he made eight recommendations on how to take that work forward; indeed, I have also read a recent speech by the Foreign Secretary in which he laid out the Government's proposals. All parties in the House are thinking the same thoughts about the importance of nuclear non-proliferation and how we must take it forward, particularly as we work with President Obama.

However, there is one aspect of that policy area on which the Liberal Democrats disagree with both the Conservatives and the Labour Government: their support for the renewal of our Trident nuclear deterrent. That was a premature decision taken ahead of the 2010 non-proliferation treaty review conference. Given the objectives and urgency of the matter that the right hon. Member for Richmond, Yorks rightly discussed, that decision sent the wrong signal to the international community at a key point, when we want to change completely the nature of the debate. The British Government have led on a number of aspects of non-proliferation—particularly research and development into new verification technologies, in which we are partnering Norway and a non-governmental organisation, the Verification Research, Training and Information Centre, or VERTIC. That is all very well, but we have sent the wrong signal in respect of our own nuclear weapons, which means that we cannot influence the debate as we ought to.

The major foreign policy development in the next year will be the impact of the new Administration in America. Although we have yet to see the absolute detail of President Obama's and Secretary of State Clinton's approach, we all know the direction of travel. The Liberal Democrats will certainly welcome the significant change in the position of the White House on many issues. There will be welcome changes on climate change, nuclear non-proliferation, the economy, poverty and the threat from international terrorism, as well as on disease and pandemics, about which the new Administration are genuinely concerned. Britain and the European Union should seize those changes as a way of promoting real progress in the world. If we look at foreign policy by country, we see that the new Administration will have a much more enlightened and effective approach to Iraq, Afghanistan, Iran and Pakistan—as well as, hopefully, the middle east, although we have yet to see the colour of the new Administration's money on that.

I think that those sentiments will be shared across the House. However, having said that, I regret that as a country we are in a less strong position to influence the new Administration than we might otherwise have been. We failed to oppose the Iraq war and all too readily backed President Bush without public question about matters such as Iraq or Guantanamo Bay, when as candid friends of America we should have explained that he was going down the wrong path. The Democrat President-elect will have noted the British position on that and that Britain does not have the influence that it should within the European Union, whether that is due to the British Government's position or to some of the stances taken by the Conservative party.

It is clear that the new Administration wish to engage with Europe. They are looking to Europe to do more on defence more generally, in Afghanistan and elsewhere, and I believe that they would have liked Britain to have been in a better place to take our European partners with them; they will regret the fact that we are less influential. That is the problem of what we might call the Blair doctrine of "America, right or wrong". That approach, taken by the previous Prime Minister, was absurd. It was absurd because America's is not a homogenous political system; it has huge divides, almost down the middle, and it has had for some time. So when one has sided, almost ideologically, with one part of American public opinion, it is likely that when the leadership changes, the new Administration will not view that so favourably—not least when one has backed what President Obama has described as "a dumb war". Although the new Administration offer a massive opportunity, this country will have to work particularly hard to redress the damage done to our influence in Washington and Brussels.

Let me be clear: the Liberal Democrats are enthusiastic supporters of the new President, partly because we share so many of his policies. Indeed, a BBC analysis suggested that President Obama's platform was closest to ours, so we obviously welcome his arrival at the White House. We also support him because we think that he has the vision to reassert American leadership in the world in the best possible way—first, by sticking to American values and laws and dropping the more arrogant, unilateralist tendencies of his predecessor, and secondly, because we think that America can play a major part in building the wider international coalitions and co-operation that are needed to deal with the world's challenges today.

We believe that Britain can be the best possible friend to the new President if we do three things: first, support him wholeheartedly when we believe that he is right; secondly, explain to him, as candid friends, when we think that he is wrong, if he turns out to be so on any issue; and thirdly, rebuild our influence in Europe so that we are better placed to persuade the other 26 nations of the European Union to back the US when the new President does the right thing for our world.

The Administration offer new hope, but President Obama and this country face the responsibility of clearing up the mess left by the previous Administration, and that point brings us immediately to Iraq. We welcome the unofficial news about the withdrawal. The Foreign Secretary seemed to deny that a leak had been involved, but, like the right hon. Member for Richmond, Yorks, I think that the news seemed incredibly well sourced and

[Mr. Edward Davey]

it was covered in detail not only by the newspapers but by the good old BBC, which seemed as if it had been fully briefed. We welcome the news, but I agree with the right hon. Gentleman that there should have been a full statement to the House.

The withdrawal is long overdue. As President Obama said during his campaign, one of the benefits of withdrawing early was that it would have put responsibility on the Iraqi Government to govern. For far too long, that Government have not been prepared fully to take that responsibility. It was almost as if the British and Americans were allowing the inaction of the Iraqi Government to make our troops hostage. That was not acceptable. We were almost allowing the actions of the Iraqi Government to persuade us to keep our troops there. The deployment of our troops over the past year or so has been a completely bungled affair. Keeping them in Basra airport with a few training expeditions meant that we managed to offend the Americans, who did not feel that we were completely engaged, so we lost a lot of influence with them in discussions with the Iraqis and beyond, which is detrimental to the interests of our troops. It also meant that we did not get the benefit of bringing our troops out, because we were having to pay for them to be there, and, because they were still deployed, the biggest problem that they face—namely, overstretch—was made worse. We got the worst of all possible deals for our troops and for our relationship with one of our closest allies.

Mr. Mark Hendrick (Preston) (Lab/Co-op): I congratulate the hon. Gentleman on having been consulted by President Obama when he drafted his policies with regard to Iraq. Is it not the case that the Liberal Democrats would still print on a postcard and send to al-Qaeda the date of British troops' withdrawal from Iraq?

Mr. Davey: Sometimes one wishes that one had not given way. I will not bother to respond to that.

Although we welcome the announcement of the withdrawal and hope that we will get some more details on the record in this House, that prompts the question, as the right hon. Member for Richmond, Yorks said, of when we are going to get the long-discussed and long-hoped-for inquiry. Earlier this year, the Government said that they were in favour of it in principle, and in our exchanges with the Foreign Secretary we moved him some way towards trying to define when it can be held. So far, the line has been that it can be held when the troops have completed their mission. My hon. Friend the Member for North Devon (Nick Harvey) sought clarification of what that meant, but he did not get much. It clearly does not mean that every single member of our troops has to be withdrawn, but we still do not know what the level of draw-down needs to be. More information from Ministers, either now or at the end of the debate, would be very welcome. Like the right hon. Member for Richmond, Yorks, we will be pursuing the Government until they announce the inquiry and wanting to know its terms. It must have a full remit to ensure that it covers all the remaining questions. There is no doubt that it should have been held several years ago, because memories and information sources degrade with the passage of time. That is very unfortunate, and it undermines the public benefit of the inquiry. Nevertheless, the case for it remains, and we hope that it will be announced as soon as possible.

I want to turn to the key issue of Afghanistan. The hon. Member for Pontypridd rightly talked about corruption and the fact that the rule of law does not exist in Afghanistan. He laid much of the blame for that at the door of President Karzai, and he may well be right. As he will know, my noble and right hon. Friend Lord Ashdown was due to go out there to play a role rather like that which he played in Bosnia, but his appointment was ultimately vetoed by President Karzai. We have both long suspected that that was because President Karzai did not want someone who was going to stand up for the rule of law and stand up to corrupt practices. I share much of the hon. Gentleman's analysis.

One of the issues following President Obama's inauguration on 20 January will be the demand for Britain and other NATO countries to send more troops. Like the right hon. Member for Richmond, Yorks, Liberal Democrat Members support the case for a modest additional deployment of UK troops, but we want to be absolutely sure, like the military commentators, that there is not a one-for-one shift from our troops in Iraq to our troops in Afghanistan. Our forces are overstretched, and many of our troops are tired. They need more rest and recuperation; otherwise, long-term damage will be done to our abilities. We will support a modest increase in our deployment there, but the truth is that other countries need to take up their share of the burden. The Prime Minister rightly said, following the Queen's Speech on 3 December, that the review in which Britain is participating focuses very much on that burden-sharing issue. It would be good if we could hear more about that when the Minister replies to the debate.

Jeremy Corbyn: Does the hon. Gentleman agree that one of the problems is that there is no clear war aim in terms of the purpose of the troops in Afghanistan? There seems to be precious little political progress on negotiation with any elements of the Taliban, and the danger is that we are stuck in this war for decades to come with no obvious end in sight and proliferation of it into Pakistan.

Mr. Davey: I was about to come to the points that the hon. Gentleman raises. Although there is the review being undertaken by General Petraeus, in which the Prime Minister says that Britain is now involved, the first priority of the Government and President Obama seems to be to increase our troops. We are not against that, and there is clearly a need for it, but it would be totally wrong if that were where the policy ended. My right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg) has argued that we need to go beyond that and talk to parts of the Taliban that can be engaged with. We need to consider setting up a regional contact group to bring in countries around Afghanistan so that they can play a more constructive role. It is to those points that I now wish to turn.

The truth is that a military solution will not work by itself; we all know that. The hon. Member for Pontypridd laid out all the reasons for that, and I would add a few more. The idea that NATO forces could stay there for 30 years is nonsense, not only because there would be

no public support for it, but because the Afghans would not want it. Unfortunately, the popularity of the NATO forces is reducing as months go by, and the history of Afghanistan shows that if there are foreign troops on its soil, there will be a nationalistic urge to reject them. We should understand that, not least because of the three Anglo-Afghan wars in the 19th century.

The only other way for the international community to support law and order and to fight the Taliban and al-Qaeda in Afghanistan is to support the Afghan army and the Afghan police, something on which the Foreign Secretary focused. That is being done, and we welcome the Government's moves in that area, but how will the long-term costs of that process be managed? The cost of the Afghan army and police at full strength, as anticipated by the Americans, would be more than $2.5 billion a year. That would take up all the Afghan Government's budget at the moment—indeed, more than that. Even given optimistic assumptions about Afghan growth and how much would flow into the exchequer in Kabul, many estimate that the Afghan Government would not be able to afford the cost of their own army and police force, even in 10 years' time. The army and the police would eat up all the resources available to the Afghan Government.

We are left with the international community shouldering the burden—but how sustainable is that in the long term? Can we really expect the Afghan people to have real faith in the credibility and legitimacy of the Afghan army and police if they are funded by the international community for ever? That is not sustainable, so we have to look at other ways of reducing and ending this conflict, which means talking to different people on the other side, and considering a diplomatic solution in that region. I shall explain why that is critical to the future of our deployment in Afghanistan.

Many people in the Pakistan establishment, particularly the intelligence services, feel that the deployment in Afghanistan is a threat to Pakistan. They may be wrong about that—I think that they are wrong—but that is what they believe. The history of the thinking of Pakistan's intelligence services shows that they have long been paranoid about India. Pakistan's forces are deployed and structured to fight a war against an Indian invasion, and it sees many of the developments with US and NATO forces in Afghanistan as some sort of coalition with India. Although no one will necessarily publicly state that, there is quite a lot of evidence and academic work suggesting that it is the case. Unless we engage with those in the Pakistan leadership and say, "We're on your side. You're part of the regional contact group that will take some of the decisions on the way forward, and we will bring you in along with China, Russia and Iran", and deal with their fears and suspicions to ensure that Pakistan is part of the decision-making process, which it clearly is not at the moment, we will not get a stable framework that will enable us to build peace over time without massive deployment of our troops or massive subsidy of Afghan troops. That is the only way forward in Afghanistan.

Both the Foreign Secretary and the right hon. Member for Richmond, Yorks talked about Iran at length—rightly, because it must be at the top of the list of other foreign policy challenges, and I agree with much of what was said. The new President of the United States is committed to much greater engagement and wants to talk to the authorities in Tehran, and that should be welcomed. It raises the question of how we tweak our existing sanctions policy if we are to embark on thorough engagement. We have long supported the sanctions regime, which has cross-party support, and we are concerned about other EU countries that do not back it. Italy, Greece and France seem to export an awful lot to Iran and I am concerned by trade figures, which show that Austria, Belgium and Germany are fast increasing their exports to Iran. Like the right hon. Member for Richmond, Yorks, we condemn those EU countries for not playing their part in the sanctions.

Dr. Howells: The hon. Gentleman is making an interesting speech. Is he as worried as I am about the export from a country such as Austria of specialist steels, which are manufactured in few other counties in the world but are useful to the nuclear enrichment programme in Iran?

Mr. Davey: I agree. I was in Israel recently and asked for a special briefing from the relevant people in the Ministry of Foreign Affairs about their concerns, and the issue that the hon. Gentleman mentioned was one. They named a specific company about which they were concerned.

However, if we have a United States President who wants to engage with Tehran, what do we do about sanctions? First, are they working? Even if we had full EU support, much trade from China and Russia goes to Iran, and much of Iran's support comes from those two countries. Secondly, I understand that the financial sanctions that we have discussed are widely dismissed in Tehran, partly because Iran sees the banking collapse in America and Europe and is pleased not to be part of that banking community and to have avoided suffering because of it. Iran feels that the sanctions slightly insulated it. We must consider whether we can make the sanctions better but also whether they are effective. If President Obama and his team intend genuinely to engage with the mullahs, how do we play the carrot-and-stick negotiations? How will he persuade them if he wants to increase sanctions? I put that as a debating point. If there is to be a change of approach in Washington, we may need to think about our position, too.

Concluding peace negotiations in the middle east will have massive ramifications, whether in Afghanistan, Iran or Pakistan. We all know the global implications—the global prize—of successfully concluding those negotiations. When I visited Israel recently, I also talked to Dr. Fayyad of the Palestinian Authority and his deputy Foreign Minister, Dr. Soboh, and heard their views of the peace negotiations. I was pleasantly surprised.

Both the Israelis and the Palestinians were incredibly optimistic about the current state of the negotiations. They said the same thing at different meetings, which I found reassuring. They have several messages to convey. First, they do not want outside interference in the bilateral negotiations, which are going well and are substantial. They ask for the space and time to conclude them. Secondly, they need the Arab countries to be more supportive of the Palestinian Authority and their attempts to conclude the peace negotiations—the Foreign Secretary said some good things about that recently. Sometimes, the Arab countries sit on the fence, some of them tacitly supporting Hamas and the extremist

[Mr. Davey]

Palestinians. Frankly, that is not good enough. We now have an historic opportunity, but as the right hon. Member for Richmond, Yorks said, if we do not seize it, it might pass into history. We join the Foreign Secretary in calling on Arab countries to put their shoulders to the wheel and publicly play their part, by backing the negotiations and backing what the Palestinian Authority are trying to do.

People need to understand more widely why there have not been more reports about the progress of the peace talks. The reason is that one of the key parameters that was agreed by both sides early on is that nothing is agreed until everything is agreed. That parameter means that progress reports cannot be issued, because no interim conclusions will be reached until the final conclusion is reached.

I would like also to mention the remarks that the Foreign Secretary made in response to my comments about settlements, which are critical to moving the process forward. I pay tribute to the Israeli Government and in particular the Israel defence forces on removing the settlers from the so-called house of peace in Hebron last week. When I visited Hebron, I stood just 20 or 30 yd from that so-called house of peace and saw the intimidation to which the Jewish settlers there were subjecting the Palestinian community. I saw a little Palestinian boy who claimed to have had his arm broken in a scuffle with the settlers. I saw the desecration of Muslim graves, which had been perpetrated by the Jewish settlers there. It was therefore good to see the IDF standing up to that intimidation and violence, and upholding the rule of law in Israel. That was an important development, because if we are to reach a final settlement, quite a number of settlers will have to be removed from their settlements in the currently occupied Palestinian territories.

Mr. Ancram: If I understood the hon. Gentleman correctly, he said that the "nothing is agreed until everything is agreed" doctrine was a hindrance. May I remind him that we applied that doctrine in Northern Ireland? From my personal experience, I can tell him that had we not applied it, we would not have made the progress that we did.

Mr. Davey: I am glad that the right hon. and learned Gentleman has given me the opportunity to clarify that I do not believe that the doctrine is a hindrance to the negotiations. Rather, it is a hindrance to public support for the process and for the Palestinian Authority in particular. The problem now is that the Palestinian Authority are not being seen by the Palestinian people to be delivering very much. Indeed, the agreement at Annapolis on settlements has not been fulfilled by the Israelis. There was supposed to be a freeze on settlements, but they have in fact increased massively.

My point is that the good things that are happening cannot be reported because of that discipline. It is the right discipline for the negotiations, but more pressure should be put on the Israeli Government to meet their obligations to put a freeze on the settlements, which are causing massive problems for the Palestinian Authority and their credibility. Indeed, Dr. Fayyad was pretty clear on that point, but when one puts it to the Israelis, they say, "Well, it's keeping the coalition going in Parliament." Colleagues in other parties in the House may be surprised to know that the Liberal Democrats do not support Israel's form of proportional representation.

Let me briefly touch on the Syrian track. It has not really featured in this debate, but it is crucial and welcome. If we can get serious negotiations under way between Israel and Syria to sort out, for instance, Hezbollah or the Golan heights, that will have massive implications for the policy towards Iran. Decoupling Syria from Iran and closing down the funds and armaments going to Hezbollah could have a very important catalytic effect.

I will not go through all the countries that others have mentioned, because I want to allow other hon. Members to speak, but I want to discuss Sudan and Darfur, which have been mentioned briefly. Earlier this year, I asked the Foreign Secretary about helicopters to the United Nations-African Union Mission in Darfur:

"what is the British Government doing to ensure that UNAMID has the 24 helicopters that it was promised?"

In reply, he said:

"It is a complex matter, but I strongly share the hon. Gentleman's sense of urgency about the situation, and I acknowledge the need to ensure that countries with forces at their disposal send them to the areas where they are most needed."—[*Official Report*, 8 January 2008; Vol. 470, c. 153.]

It is my understanding that we have still not managed to send any extra helicopters to the UNAMID mission, apart from five helicopters that Ethiopia provided. We understand that the Ukrainians are in talks about sending helicopters, but that Britain, the EU and NATO have failed to supply the helicopters needed by the UNAMID mission in Darfur. That is a disgrace. The resolution that went through the United Nations Security Council in July 2007—resolution 1769—was the precursor to the planning for UNAMID but, more than a year and a half later, we have still not provided the basic equipment to allow UNAMID to do its job in Darfur. That is a disgrace.

As the right hon. Member for Richmond, Yorks said, there is a great deal of agreement on these issues, but the Government also need to recognise where they have gone wrong in recent years on Iraq and on their relations with the European Union. Until they do that, they will not be as well placed as they need to be to influence the new President and to ensure that Britain punches above its weight in the world.

3.51 pm

Jeremy Corbyn (Islington, North) (Lab): I welcome the fact that we have this annual debate, although it is a shame that this one coincides with a sitting of the Foreign Affairs Select Committee. That does not seem terribly clever planning of parliamentary business, but of course it has never happened before.

Today is United Nations human rights day, and the theme of our debate ought surely to be the importance of international treaties, international agreements and international law to the way we operate. Some important reviews of a number of international treaties are coming up. There is also the serious problem of the denial of human rights around the world, both in the individual sense of the many people who suffer imprisonment, torture and isolation, or who are forced to flee into

asylum and exile, as well as in relation to the 1 billion people—one in six of the world's population, according to UN figures—who face starvation because of a lack of food for them to eat. This is not about a lack of food supply around the world; it is about people's lack of ability to buy enough food to survive. That is surely a basic human right in itself.

I want to make a number of points on international law. I should like to know what stance the Government plan to take when the International Criminal Court review comes up in 2010. There are clearly limits to the Court's effectiveness so long as a number of member states, including the United States, have not signed up to it, and to the Court's ability to get people who have been arraigned on charges of genocide and torture to appear before it. I hope that we will reiterate our support for the principles behind the International Criminal Court, as well as using the good offices of the incoming President Obama in the hope that he will change the United States approach to the UN and its agencies and to international law in general, as well as signing up to that particular process.

It is also important that we ourselves abide by international law and conventions, and this relates to the behaviour of the British Government towards, for example, the Chagos islanders in the Indian ocean, who were quite wrongly thrown off those islands in the 1970s and 1980s. They have fought a long and stoic legal campaign for the right to return but, unfortunately, the House of Lords finally rejected, by a majority verdict, their application to set aside the Orders in Council of 2004. The Chagos islanders might well exercise their right to take their case to international jurisdiction, and, personally, I hope that they do.

Kate Hoey: I should like to pay tribute to the work that my hon. Friend has done to bring that small part of the world to the attention of the House. Does he agree that it is timely that an all-party group on the Chagos islands has now been set up in Parliament? We hope that that will bring pressure to bear on the Government not to take this issue any further.

Jeremy Corbyn: I thank my hon. Friend for that, and I entirely endorse and agree with her intervention. What happened to the Chagos islanders was wrong and immoral; they ought to be allowed to return to those islands as they are the best people to look after them. One has to recognise the incredible stamina of Olivier Bancoult and the other islanders in campaigning over the decades for their right to return. Can we not put an end to this horrible period of our history and provide justice to those islanders who suffered so much when they were removed?

I want to welcome one particular part of the Queen's Speech—the proposal to introduce an amendment to the Antarctic Act 1994, with which I was involved as it passed through the House. The premise of that Act was to oppose mineral exploitation of the Antarctic and I would be grateful if the Foreign Office or the Minister in his reply assured me that there was no danger whatever of going back on the principles that the Antarctic is a zone of peace, that it is a world park, that it exists for scientific and peaceful purposes only and that we will not disfigure, destroy or pollute it, as we have done to so much of the rest of the planet. The Antarctic is very important and very special in being such an important place for research.

This debate is clearly dominated by the current wars. I was one of a large number of Members who voted against the Iraq war in 2003. I have no regrets whatever about my vote and I am sure that my colleagues do not either—indeed, my understanding is that many around the House wish they had voted against the war in 2003. I am pleased that British troops are to be withdrawn in the near future, but the tragedy of the more than 500,000 people who died in Iraq during this conflict will not go away and neither will the bitterness of the 4 million people forced out of their homes into internal or external exile. We have to learn that what was, in my view, an illegal war and illegal intervention has not made the world safer or more secure. Perhaps there is also the lesson that supporting dictators, as many western countries did in arming Saddam Hussein in the first place, is a counter-productive strategy.

There is great danger in saying that because the war in Iraq was a bad war, the war in Afghanistan is automatically a good war. It is predicted that we will stay in Afghanistan for up to 30 years, yet there is no clear war aim and, as my hon. Friend the Member for Pontypridd (Dr. Howells) pointed out, there are increasing levels of corruption in the Afghan Government. The occupation by NATO forces and US special forces is increasingly unpopular and the spread of the war into Pakistan is terrifyingly dangerous. At the end of the day, every war has to be solved by some form of political dialogue and political process. There is no other way of ending conflict. Are we to stay in Afghanistan for 30 years and eventually be forced out by the growing unity of the Afghan people, or will there be a serious attempt at dialogue with some elements of the Taliban? The Taliban are not a seamless whole. I am not here to represent or defend the Taliban; I am just saying that we should look at the realities of the situation and that some talks will have to take place in the end.

The danger of the war spreading into Pakistan is very evident and obvious. Already the drone attacks on villages in Pakistan are causing political problems for the Government of Pakistan and the resulting instability is very serious. Pakistan is, of course, a nuclear power; it has weapons and a delivery system, as does India. The collapse of the Pakistan Government might, because of the spill-over from the Afghan war, ultimately have the most terrible consequences for the region and the world as a whole. This is very serious and, although I welcome his election, I am disappointed that incoming President Obama seems to be sending out a message, unless I have misunderstood him, that he believes that this war can be won by military means and that he is planning an increase in troop numbers.

The Foreign Secretary said quite a lot in his introductory remarks about nuclear weapons. Although I strongly support the non-proliferation treaty and associated purposes, the fundamental flaw is that India, Pakistan and Israel are not signatories to it—and because of its structure, they can never be signatories to the treaty or members of the non-proliferation system. I am not advocating breaking it up or leaving it. It is valuable and does have a purpose. Indeed, South Africa, Argentina and Ukraine, for example, have disarmed themselves of nuclear weapons within the terms of the NPT. However,

[Jeremy Corbyn]

there has to be something else in addition, which is why we should look seriously at a nuclear weapons convention of the sort promoted by Australia, formally known as the Canberra commission on the elimination of nuclear weapons, which is due to report in advance of the 2010 review.

There is growing support for the concept of a nuclear weapons convention that all states can join. At least that would be a forum for discussion and debate on the demilitarisation of nuclear weapons around the world. It would also help us. I agree with the hon. Member for Kingston and Surbiton (Mr. Davey) that if we were not planning an expansion of the Trident nuclear missile fleet and the weaponry that goes with it through the work that is going on at Aldermaston, we would have a much stronger moral voice within the NPT and nuclear disarmament system.

Israel is a nuclear power. That fact is often ignored; no one wants to go into that area. However, if there is to be disarmament around the world, it has to include India, Pakistan and Israel. If we wish to have effective pressure on Iran not to develop nuclear weapons, we should put equal pressure on Israel, first, to take its weapons off alert and, secondly, to take them out of operation altogether so that the dream of a middle eastern nuclear-free zone—there are effective nuclear-free zones in Latin America, Africa and soon, hopefully, in central Asia—can be achieved.

The attitude that we take towards Israel is always far too soft. Every time any criticism is made of Israel's policy in, for example, Gaza, we always say, "Well, on the other hand". The reality is that Israel is acting illegally in the collective punishment of the people of Gaza. The bitterness felt in the daily lives of people in Gaza is something from which we will all suffer for a long time. There has to be a settlement based on respect for the Palestinian people, based on recognition of the needs of the Palestinian people. Israel should behave as a proper democracy in the world. That does not include arresting elected parliamentarians from Gaza or anywhere else and not affording them the right of a trial or representation. What is going on there is simply outrageous.

My final point takes me back to where I started: poverty around the world. One in six of the world's population suffer from real starvation. Half of the world's population lead very difficult existences and are seeing their living standards fall. The millennium development goals are not being met in many parts of the world. The Foreign Secretary mentioned the Democratic Republic of the Congo, and there have been interventions on that subject. The living standards of people throughout most of the DRC are barely increasing, and in many cases they are falling. The number of children attending school there is falling, and the instability brought about by the war is getting worse. Yet at the same time, massive amounts of money are being made out of the mineral wealth of the Congo by people all over the world. This is a war in a country endowed with the most enormous riches which at the same time is bedevilled by those riches.

Although I support what the UN does—my hon. Friend the Member for Falkirk (Mr. Joyce) and I were in Goma earlier this year and saw the reality of the refugee camps and the misery that people face there—there has to be a political peace process and negotiations. The process led by the former President of Nigeria is hopefully a way forward. I hope that the Government will put as much effort as possible into supporting a peace process and getting humanitarian aid into the region. The people of the Congo do not deserve to live in that way. Those women do not deserve to be treated in the way that they have, with rape becoming a weapon of war used by all forces in the eastern Congo, be it the Government forces, the militia groups or anyone else.

I was surprised that the Foreign Secretary did not say anything about Latin America. It is a cause of regret to those of us with an interest in Latin America that so many British embassies have closed there and the amount of diplomatic activity has been so reduced.

The continent is experiencing enormous change, and I hope that the Government will continue to work with and support all the Governments there who are trying to reduce poverty and conquer inequality. I particularly hope that they will recognise that the present traumas in Bolivia have been largely brought about by wealthy vested interests that are trying to undermine a Government who are doing their best to bring a degree of prosperity and good-quality living to the poorest people in the poorest parts of that country. I think that there is a process there that we can admire and support. I hope that the Government will be prepared to extend an invitation to President Morales to visit this country at some point, so that there can be real discussions about the effectiveness of anti-poverty programmes in a country that has suffered a great deal from mineral exploitation in the past.

We live in a world that is experiencing what is a time of trauma and a time of fear for many people. The way forward must surely be respect for human rights, sharing the world's resources, and bringing an end to the wars that have so disfigured our society. That means a process of disarmament and a process of respect for law. It does not mean continuing what I believe to be the absolutely crazy war on terror into which President Bush led us after the dreadful events of 2001.

4.6. pm

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): I listened with interest to the remarks of the hon. Member for Islington, North (Jeremy Corbyn) about nuclear weapons. On the Trident decision, the point on which I think he is mistaken is that the need is for multilateral, not unilateral, nuclear disarmament. I do not believe that the Government's decision is irreversible. I have no doubt that if there were scope for major progress on nuclear disarmament over the coming period, it could be revisited in the context of what was happening around the world.

The Gracious Speech itself was very light on the subject of nuclear weapons, but I pay tribute to what was said by my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), the shadow Foreign Secretary. He paid great attention to the subject, and I very much agreed with the thrust of his remarks. I believe that the whole issue of nuclear weapons will be increasingly important over the next 12 months and the period thereafter, partly because the first foreign policy crisis with which President Obama will have to deal will be the question of nuclear weapons in Iran—and how

he deals with that will also be influenced by what is happening on the wider nuclear weapons front—but also because I believe the time has come for major consideration of where the world is going with regard to the overall question of nuclear weapons.

Over the last two days, I have attended an international conference in Paris arranged by the new Global Zero organisation. It may be thought that the conclusion that was reached was not a surprising one, but it was surprising in one sense. I shall come to that in a moment. The conference reached the conclusion that there was an urgent need for a massive reduction in the number of nuclear arsenals around the world, and for serious consideration of the question of ultimate elimination of nuclear weapons.

Members may ask what was surprising about that, given that over the years many conferences have reached the same conclusion. It was extraordinary, however, in view of the composition of the conference. To put it mildly, none of the usual suspects were there. It was not a collection of professional peace campaigners. Among those present were a former President of the United States, a former American national security adviser, Foreign Ministers and former Defence Ministers of NATO countries and nuclear weapons states, and air marshals, generals and other senior military personnel from countries with nuclear weapons.

The conference followed an initiative taken nearly two years ago in articles that appeared in the American press signed by Henry Kissinger, George Shultz and others. In this country, a number of us have made similar proposals. An early-day motion is currently before the House, signed by 277 Members including, I believe, some 57 of my hon. Friends. We have to ask why those of us who have so often been identified with realpolitik are becoming strongly convinced of the need for a fundamental debate on the overall question of nuclear weapons, along with a change of approach to one of greater urgency. Essentially, it is because realpolitik means being influenced by real events and not by idealism or theoretical issues, and the real world has changed substantially since the end of the cold war.

As the Foreign Secretary implied and my right hon. Friend the Member for Richmond, Yorks said, much has been achieved. At the end of the cold war, the United States and the Soviet Union between them had between 26,000 and 27,000 operational nuclear weapons. That figure is now down to about 12,000—between 5,000 and 6,000 each. Nuclear weapons have also been successfully eliminated from Kazakhstan, Belarus and Ukraine in the former Soviet Union, and there have been local achievements, such as South Africa giving up its nuclear weapons and Libya being persuaded not to conduct a weapons of mass destruction programme.

In the past few years, however, that whole process has stalled dramatically. There is no evidence of any further impetus with regard to the United States and Russia, who between them have 95 per cent. of all the nuclear weapons in the world. That is becoming an increasingly serious matter because the continuation of the non-proliferation treaty, which comes up for debate in 2010, can no longer be taken for granted. Not only have we seen serious new proliferation in recent years, such as in Israel, India and Pakistan, but now there is the possibility of Iran acquiring nuclear weapons as well; the North Korea situation is not yet resolved, and we know that if Iran were to acquire nuclear weapons, it would only be a matter of time before the Arab states did so as well.

There is, therefore, a serious new urgency, and the arguments that were valid during the cold war are no longer valid in the same way. The countries that had nuclear weapons during the cold war were overwhelmingly the great powers involved in that cold war, and they needed nuclear weapons because of the perceived conventional superiority of the Soviet Union and the need to prevent any war—conventional or nuclear—from breaking out.

Because they have 95 per cent. of all nuclear weapons, the key to progress lies with the United States and Russia. If they were both able to make massive further reductions in their nuclear arsenals, they would know they could do so without any change in the relative power of the two states and their ability to deter any possible attack on themselves. Even if we believe in deterrence, we do not need 5,000 nuclear weapons to prevent an attack by our enemy; 500 would clearly destroy the world several times over. There is, therefore, no logical argument of defence why the Russians and the Americans cannot now approach a further stage in these negotiations by at the very least reducing their nuclear arsenals to 500 or 400, or even 200 or 300, without any change in fundamental defence strategy.

Jeremy Corbyn: Does the right hon. and learned Gentleman not think it would be helpful if the US were to stop the whole national missile defence programme as something that is seen as antagonistic towards Russia—and as something that promotes the industrial and military interests in Russia?

Sir Malcolm Rifkind: I think both that the United States has been premature in giving such emphasis to a ballistic missile programme long before there is any real threat of the kind suggested and that the Russians have grossly overreacted to some unarmed missile defence systems that might be placed in the Czech Republic and Poland. Therefore, I think both countries have to look at this afresh and try to move forward in a more sensible way.

To return to my theme, if the Americans and Russians were able to make such major progress, that would itself send a massive signal to the NPT negotiations and help to ensure a continuation of that treaty. In addition, it would very greatly strengthen future President Obama in dealing with the Iranian threat. If he is able to demonstrate to the world not only that the United States is making massive reductions in its nuclear arsenal, but that he is prepared to negotiate—as he has said he is—with the Iranians on a resolution to the problems they face, either the Iranians will respond positively or if they fail to do so President Obama would be able to expect, and would receive, much greater international support for any tough measures that might then be needed against the Iranians. Therefore, no loss would be involved in the American position; instead it could be enormously enhanced.

The second half of this debate is about not only a reduction in nuclear arsenals, which would ultimately have to include the United Kingdom, China, France and other nuclear powers, but whether it is possible actually to contemplate their elimination. That is, of

[Sir Malcolm Rifkind]

course, a very difficult issue, because there is a crucial difference between a country reducing the number of nuclear weapons it has to 150, 100 or even 50 and removing them completely. If a country has even five or 10 nuclear weapons and its opponent has the same, the relative position between the two countries remains the same. Compared with a country that does not have nuclear weapons, a country with five or 10 weapons is enormously powerful in a way that the other is not; in the kingdom of the blind, the one-eyed man is king.

Bringing the amount of weapons down to a very small number will not be easy, but going to zero will be infinitely more challenging. That does not mean that it cannot be done, because we have been enormously successful in, effectively, abolishing chemical weapons, and that is a very encouraging precedent. To be able to contemplate achieving a reduction to zero, there must be a huge improvement in the verification and transparency regimes, not only for the weapon states themselves, but for civil nuclear programmes. That is because the fissile material in such programmes is also relevant to the potential production of enriched uranium or plutonium for nuclear weapons. We would also need to be confident that the verification and control systems would prevent the fissile material from getting to terrorist organisations, because those would be the people who could wreak enormous damage on the wider world.

That is the basis on which we would have to address this issue, but there is a second aspect to it. One of the arguments that many, including myself, have used over the years, and which needs to be addressed if we are ever to contemplate the elimination of nuclear weapons, is that our eliminating them—assuming that we can do that—might, in practice, make conventional war more likely. Might it not be argued that nuclear weapons have helped to prevent conventional wars from breaking out? That was a powerful argument during the cold war; indeed, in one of his last speeches as Prime Minister, Winston Churchill said that

"it may well be that we shall by a process of sublime irony have reached a stage in this story where safety will be the sturdy child of terror, and survival the twin brother of annihilation."—[*Official Report*, 1 March 1955; Vol. 537, c. 1899.]

Those are very powerful words.

Even in recent years, there is at least an argument to be made that India and Pakistan are now much less likely to renew the conventional wars that they have had several times in the past 30 or 40 years, because both are now nuclear powers and they know that a conventional conflict might lead to a nuclear exchange. So this is not a foolish argument and we cannot simply dismiss it lightly. However, although the argument is valid, it is becoming progressively less so; indeed, it is becoming outweighed by other factors.

The crucial argument that was relevant during the cold war was that if a conventional war ever broke out between the Soviet Union and the NATO powers, it would, in effect, be a third world war. It would not just be a local conflict; it would be a global conflict of dimensions comparable with both the first and second world war. There is no prospect of a global conflict of that kind in the foreseeable future. The great powers have not the remotest intention of going to war with each other, and there is no fundamental issue that might even lead towards that in the foreseeable future. The wars that we are trying to avoid are essentially local conflicts in various parts of the world. That is still a serious matter, but one cannot use the argument that we must therefore have nuclear weapons in those countries, because the logic would then apply to 180 countries around the world, and that would result in an unsustainable situation.

In any event, even if the India and Pakistan situation in respect of the outbreak of conventional conflict has, in some way, been assisted by the fact that they are now both nuclear weapon states, that must be set against the downside that flows from what has been happening in recent years. The proliferation of nuclear weapons states has increased alarmingly, is increasing and, if we are not careful, will continue increasing so that it will encompass many more states around the world. We are talking not only about nuclear weapons states, but about the fissile material that is available, because when that fissile material is available and people such as A. Q. Khan in Pakistan are prepared to sell information to rogue states, the risks of that information getting into the hands of terrorist organisations become far more serious.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): The right hon. and learned Gentleman is obviously well versed in these issues. He mentioned the ambitious challenge for President-elect Obama in trying to reduce weapons in the US. Does he share the concerns that that challenge may not be achievable, given that there are elements in the US that do not want it to happen? One recalls what happened when President Kennedy tried something similar.

Sir Malcolm Rifkind: President-elect Obama will start with far greater authority than any other recent American President. If he is determined, a massive reduction in American and Russian arsenals can be achieved, at the very least because there is a mutual interest for both countries in achieving that. Going beyond that will require a degree of leadership, and we will have to see.

I have reached the following conclusions on the issues that I have mentioned. First, whatever people's views on nuclear weapons, there can be no credible, logical or rational reason why we cannot massively reduce the number of nuclear weapons from the 27,000 around the world—mostly in the US and Russia—to a tiny number, even if the deterrent argument still holds sway. Personally, I believe a deterrent is necessary unless we can achieve multilateral disarmament.

Secondly, only by making major progress in that direction can we be sure of the continuation of the non-proliferation treaty. If we are having such problems with proliferation when the treaty exists, one can imagine how disastrous it would be it if fell and was not renewed. Thirdly, the progress that has to be made cannot be unilateral. It is no use asking for gestures from individual countries. At the very least that will do no good, and it may do a lot of harm. Multilateral disarmament is the best hope for progress.

Fourthly, major enhancement of the verification and transparency regimes is needed, even though they are already quite sophisticated. With the advances in modern technology, the verification that will be available over the next few years will be of a much higher order. My

final point is that we are not talking about these things happening in a year, or two years or five years. If we are to make the kind of progress required, it will be 10 to 20 years before we get down to low levels. It is only at that stage that we will be able to reach the final decision about whether it is acceptable to go from very small numbers of nuclear weapons to the actual elimination of this class of weapons, as we did with chemical weapons. It may be possible, or it may prove to be too difficult. It is not a decision that we have to reach now, and the mere attempt to move in that direction will undoubtedly be beneficial. In any scenario, having far fewer nuclear weapons than currently exist is infinitely preferable to the status quo, not least because it reduces the prospect of accidental conflict as well as removing large amounts of fissile material from the world.

These are fundamental issues that do not depend on whether we are right wing or left wing, Labour or Conservative. They affect every human being for the most obvious of reasons. Victor Hugo once remarked:

"More powerful than the march of mighty armies is an idea whose time has come."

The Global Zero concept is an idea whose time has come, and if it can help to stop the march of mighty armies, that is an objective worth achieving.

4.23 pm

Derek Twigg (Halton) (Lab): I wish to make most of my remarks on Afghanistan, but I must first say that I have been privileged to work with our outstanding armed forces, their families and the veterans in my two years as a Defence Minister. They are the best armed forces in the world and their courage is tremendous. That was typified in the regular visits that I made to Selly Oak and Headley Court to see our wounded service personnel, who displayed great stoicism in the face of severe battlefield wounds and injuries. Their families also give them great support. I wish to place on record my appreciation and admiration of their amazing courage. One of the great successes recently has been Defence Medical Services, which has saved lives and limbs that might not have been saved in the past. Its work extends from the battlefield medics in Iraq and Afghanistan to the amazing hospital at Selly Oak, the rehabilitation centre at Headley Court and facilities elsewhere.

I genuinely believe that in the past few years we have seen improvements in our armed forces' equipment and in the welfare support that they, their families and veterans have been given, too. I know that because that is what they tell me. Of course, there is always more to do, but if we listened to the press, we would think that nothing had been done for years when in fact significant improvements have been made.

Before I talk about Afghanistan, I want briefly to refer to Iraq. I know from talking to our service personnel there that they often feel that they are somewhat ignored because of what has gone on in Afghanistan as well as because of the intended draw-down from Iraq. I was last in Iraq in August and went to visit the MITTs—the military transition teams—that provide mentoring and training and are embedded in the middle of Basra. I saw a number of their teams. Our service personnel were working there in over 50° heat and were doing quite an amazing job in training and mentoring the Iraqi forces.

The hon. Member for Kingston and Surbiton (Mr. Davey) said that the troops were all stuck in Basra air station. That might have been the case in March, before Operation Charge of the Knights, but when I went in August there was a great sense of achievement and that something practical had been done to bring about improvements. There was a massive improvement between Operation Charge of the Knights in March and my last visit in August. Everyone can see the turnaround and improvements that have taken place, particularly with the Iraqi army. There is still more work to be done with the Iraqi police, but even now great work is being done. Commerce and trade are returning and so on.

We will not know, of course, for a number of years how successful we have been in Iraq, but I believe that Iraq will prove to be a success. Lots of people want to rush to rash judgments now, but history will bear out our achievements, not least those of our armed forces.

I want specifically to major on the subject of Afghanistan because I am increasingly concerned about the amount of commentary that seems to be questioning our role there and whether we should be in the country. Some commentators are calling for us to leave, but, as my hon. Friend the Member for Pontypridd (Dr. Howells) pointed out earlier, I believe that would be a disaster. Support among British people in the opinion polls seems quite low, too, and we have a responsibility to argue the case for why we are there and about the national and international importance of our presence.

It is always worth repeating the importance of our presence to support the democratically elected Government in Afghanistan and the construction that needs to take place not only to support that democracy but to bring about improvements for ordinary Afghan people. Not only do we need to prevent it from being a safe haven for al-Qaeda and for terrorism in general, but we need to deal with the issue of drugs.

On drugs, I do not think that eradication, in itself, is the solution. I believe that we can provide people in Afghanistan with alternative livings, but the problem then is whether they can get their goods to market. The corruption in the country means that they have bits taken from them at every stage along the line on the way to market. When I went to Afghanistan, the Afghans told me that they could grow alternative crops instead of poppies, but that getting those crops to market to sell them is a big issue for them. That is where security comes into play, which I shall talk about a little more later.

There is no doubt, as my hon. Friend the Member for Pontypridd made clear, that the country is riddled with corruption. The problem is historic. It did not just arise with the election of a democratic Government—it is part of that society. When democratically elected representatives and the governors participate in that corruption, that is a scandal. It has a corrosive effect that can undermine the whole purpose of why we are in Afghanistan and the work that is being done there.

It is right to concentrate on the fact that we have a democratic Government in Afghanistan, which is a major step forward, for all its warts. We must support that. We must reiterate to the British people why we are in Afghanistan, why we support the democratically elected Government and why it is important to Britain

[Derek Twigg]

for us to be there. We need to keep doing that, and we clearly have not been communicating that as well as we could.

I think everyone accepts—it amazes me when commentators mention it—that there is not a military solution. I have not heard anyone from the Government or from any other Government say that there is such a solution, and it is beyond me why commentators keep repeating that assertion. It is a given that there is no military solution and that the solution has to be that the democratic Government, civilian authorities and organisations and all parts of governance come together to support the construction of Afghanistan.

I also want to refer to our NATO allies. In my two years in the job, I was frustrated by the lack of support from some of those allies and their behaviour in terms of providing fighting troops, helicopters and support, given what we are doing and the fact that we are losing lives on a regular basis. Great frustration has been expressed in the House about our allies on a number of occasions, but the fact is that we must pile on the pressure to ensure that our allies do more. If NATO or the UN are serious about achieving things in countries like Afghanistan, they must make sacrifices and provide their share of support. I believe strongly that that is the only way that we can achieve things for the good of the world generally.

I turn now to the question of governance, which I think is another misnomer. The perception in some quarters is that we will be able to build local government and judicial systems like the ones that we have in the UK. That is not going to happen in Afghanistan—at least not for many years, or in my lifetime. The Afghan people have a traditional way of doing things, and we must tailor the system of governance that we develop to that.

For instance, the governance system that we develop might be based around each provincial governor, and the judicial system that we construct might reflect the demands of people in the different areas, but what is certain is that we will not end up with the same system that we in Great Britain or the western world have. However, the types of judicial and governance systems that we deliver must enjoy the confidence of the Afghan people. Our job is to work with them to achieve that, but I do not believe that we can build a western-style system. Quite frankly, that is not achievable.

There have been many achievements in Afghanistan that often get overlooked, and No. 1 among them is the provincial reconstruction teams. I first went out to Afghanistan in February 2007: I thought then that the collaboration between the Government and senior staff was not very good, and I made my concerns known in the right quarters. However, there had been a major improvement when I last visited in August.

I visited 16th Air Assault Brigade, and met Brigadier Mark Carleton-Smith, and found that the way that they had embedded in the PRT team was a major step forward. At last, I got a real sense of things progressing and of people working together. I am not claiming that things are now perfect, that there are no problems and that further improvements are not needed, but it was clear that there had been a major change in the time since my first visit.

Also, people in Afghanistan now have much greater access to health care. I visited a hospital in Lashkagar that was just awful, but there have been improvements in people's access to health care, especially in the district centres. More children—including girls—are going to school, but that is still a battle in many cases. We all know what the Taliban do when they find out about such things.

In addition, I went to see some very important reconstruction projects in Lashkagar—another example of what is happening in Afghanistan now. Nothing is going to change things overnight but gradual progress is being made, despite the many challenges that we face in the country.

The key issue, of course, is security. The Afghans to whom I spoke said that security was their No. 1 priority. We have to do a lot of hard work to achieve it, and we cannot do that by ourselves. Our goal is to get the people in the Afghan army and police trained up so that they can work effectively to provide that security themselves. We are moving in the right direction, although quicker progress is being made with the army. I spoke to our service personnel who are working with the Afghan army, and they had much more praise for its capability, effectiveness and numbers than was the case 18 months or two years previously.

Sadly, corruption and a lack of ability remain major problems with the Afghan police. Even getting officers to stay at their posts is difficult, and it is clear that much more work needs to be done, as security will be very important in the future elections. It is essential that elections are held and that we can get people out to vote in them. That is a big task, and security is an important element that we have to get right.

Some people say that we could be in Afghanistan for 30 years, but I do not think that that is sustainable. In fact, if we have to keep up the present level of fighting for 30 years, we will have failed. We have to be realistic: we must look at what is achievable, and that brings us back to getting the Afghan people themselves to provide security and to putting in place all the elements of governance that will deliver it. We must also get all the members of NATO to play their part in that regard.

I do not want to repeat much of what has been said about Pakistan, but the country has always been key to the history of Afghanistan, as is shown by the events of the three Afghan wars. Interestingly, some commentators say that Britain got kicked out after those wars, but that is not entirely true. Russia was also kicked out, but the present situation is different. The Taliban have only minority support in Afghanistan, and the vast majority of people are opposed to them. That is the difference, and the key for us is to win and keep people's confidence. In that way, we can ensure that they will support us in the job that we are doing, and not turn against us and give their support to the Taliban. That is a key priority for us.

Pakistan, too, is a very important area. Its Government have to do more about the borders and the tribal areas. I know that they are working on that, and a lot of time and effort are being spent on the issue, as we heard from the Foreign Secretary. It is a key area for us, and if things went wrong there, it would be a major problem.

I want to discuss Iran in the context of Afghanistan. We have heard a lot about Iran in the context of Iraq—about Iran supplying weapons and its involvement

with the insurgents there—but it is also involved in the supply of weapons, or elements of weapons, such as improvised explosive devices in Afghanistan. Of course, we must maintain diplomatic relations and work at the diplomatic channels, but sometimes we are far too soft with Iran and should take a much stronger line. We have to work very hard on that, because Iran would have an influence in Afghanistan. There is work to be done in that respect.

Finally, our previous Prime Minister, Tony Blair, made an important, landmark speech almost two years ago on HMS Albion. He asked what sort of defence force our country wanted. He asked whether we wanted a defence force that could deliver hard power in the support of soft power globally—we live in a global world and are affected by what happens globally—or a home defence force that never came out unless we felt that our shores were threatened. The use of soft and hard power is key. We still need to debate that, and Tony Blair set out the parameters for such a debate in his very important speech. I strongly support what he said in it.

I finish on an important point: it is essential that we retain the support of the British people for what we are doing in missions such as those in Iraq and Afghanistan. We have to get across why we are there, and the importance of the mission. My right hon. Friend the Member for Kilmarnock and Loudoun (Des Browne), the former Secretary of State for Defence, said that we need to hear Afghan voices saying why it is important for Britain and NATO to be there, and we need to say why it is in our national interests to be there. We have to work much harder on that, and on getting across to the British people why support for Afghanistan is so important to our future security and to the rest of the world.

4.37 pm

Mr. Michael Ancram (Devizes) (Con): I was interested to hear what the hon. Member for Halton (Derek Twigg) had to say about Afghanistan, because like the hon. Member for Pontypridd (Dr. Howells), he had ministerial experience of the issue. Obviously, it is well worth our learning from that experience.

The number of times that Afghanistan has been mentioned in the debate underlines the need to have a dedicated debate on that country in this Chamber, in which we could dedicate the whole of our remarks to the real problems there. I should like to say how very strongly I supported the speech by my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind). He has shown us a lead that I hope our party and the Government will follow. As he knows, the only point on which I disagree with him is that I do not think that we can play a leadership role—the role that I would like to see the British Government, and people such as him, play—in moving towards multinational disarmament while committing ourselves to renewing our Trident deterrent, not now but in 20 years' time. That gives the wrong message. As my right hon. and learned Friend knows—we have debated the matter before in the Chamber—that is why I voted as I did in the debate on the renewal of Trident.

I want to talk about the fundamental shift that has taken place in the world in the past 10 years, and the way in which we need to reflect that in a substantial change in direction in foreign policy. When the cold war ended, the days of the big blocs disappeared. They were largely replaced by a unipolar world in which America had effective supremacy and dominance. It was the greatest military power that the world has ever seen, in relative terms. For 10 years, it exercised that power and, largely, we supported it in exercising it.

The world has moved on. In the past 10 years we have seen a network world come to the fore, with the emergence of China, the re-emergence of Russia, the building of the Shanghai Co-operation Organisation, and the emergence of Brazil in South America. It is a world in which hard power will have far less of a role to play, and soft power will become more and more important. In a network world, one cannot get one's way by confrontation. The nature of a network world means that one has to get one's way through persuasion and engagement. In the past five years, one of the failures of American foreign policy—and, I have to say, our foreign policy, as ours was so closely attached to it—was that we thought we could continue to exercise the sort of confrontational, isolationist policy that was so much part of the previous five years. We did not realise the effect that that would have.

If one looks at the region where I spend some time, the middle east, one sees the most extraordinary results of that policy of confrontation and isolation. One sees Syria being pushed closely into the arms of Iran, which the Syrians did not want. I saw the Syrian Foreign Minister two and a half years ago. His first question to me was, "Are you an isolator or an engager?" They wanted to engage with us but we were effectively shutting the door on them. If one shuts the door on someone on one side, they will walk out of the door on the other side. They did, and they got closer and closer to Iran.

I have seen even more unusual relationships created, with Sunni Hamas now effectively in combination with Shi'a Iran, which in the Islamic world is almost unthinkable, yet our isolation of Hamas, particularly after it won the election in 2006 in the Palestinian Authority, has forced it in that direction.

Today I want to look at the opportunity that I believe will arise with the catalyst of the election of President Obama when, without losing face, the west, America and Britain can begin to change the emphasis. The change of emphasis must be, as I say, from confrontation to engagement. I shall examine various aspects of that. We have spoken a great deal today about Iran and I shall not get involved in the arguments about how best we prevent Iran from getting nuclear weapons. I take the view that we may, in the end, not be able to do that, and we should equally be looking at how, through engagement, we can create a doctrine that will manage an increasing nuclear region.

It is certain that isolating Iran has not stopped it moving towards obtaining a nuclear weapon. It has turned from the door that we closed in the west of Iran and opened the door in the east, so that for all their protestations in the Security Council, China and Russia are still trading with and have close relationships with Iran.

I spend some time in the Gulf. There is another implication of the policy that we were pursuing. We were saying to our friends in the Gulf, "We hope you will join us in trying to create these restraints on Iran." The Foreign Minister of one Gulf country said to me, "Hold on. It's all very well for you to say that, but you

[Mr. Michael Ancram]

and the Americans are here today. You won't be here tomorrow or the day after, but Iran will always be there. If you expect us to take an antagonistic view of Iran and isolate it as you are trying to do, you are asking us to operate against our own interests."

There is every reason why we should support President Obama's initiative to reopen dialogue with Iran and, to use the words of the Foreign Secretary, use diplomacy to try and achieve the purpose that we want to achieve in Iran, and move away from the stick that has been waved, largely by the Americans and occasionally by us, which has ultimately operated against our interests and has had no effect on Iran at all.

The second area that I shall touch on is Afghanistan. Last year, in the equivalent debate, I described what we were doing in Afghanistan as pushing water uphill. I have tremendous respect for our armed forces. I think they are the best in the world and I have seen the enormous achievements that they have made in Afghanistan, but when one looks at what they are doing, every achievement that they make will be sustained only if they stay there. As we know, they are not going to stay there for ever, and when they leave, those achievements can be undone. One can push water uphill, but the moment one turns one's back on it, it comes running down again.

I hope that in the review that is taking place in the United States Administration about what needs to be done now in Afghanistan, we will look closely at what we are asking our armed forces to do. I well remember two and a half years ago the then Defence Secretary telling us on behalf of the Government as we were about to deploy to Helmand that he hoped that not a shot would be fired. When we look back at that and at what has happened since then, we can see how badly we misjudged what we were getting into in that area of Afghanistan and how much we have asked of our troops, including the sacrifice of many of them in the process. Even if the Americans deploy more troops in Afghanistan, we must consider very carefully whether we should be doing the same thing.

Secondly, we should consider where we see our priorities within Afghanistan. When we went into the country just after the twin towers were brought down on 9/11, we had one major objective—to capture Kabul, because it was the centre of power within Afghanistan and because if we held Kabul, or a benign Afghan Government did, a reasonable degree of control could be exercised over the whole country; I do not believe that complete control could ever be exercised there. We took and held Kabul, and when I went there as shadow Foreign Secretary and shadow Defence Secretary, the British were very much engaged in providing security in the city.

When I originally went to Kabul, I was able to walk the streets; I went into bookshops and went shopping. The last time I went there I was in an armoured car all the time, wearing body armour. We have taken our eye off the ball. We should look again at securing Kabul and making it safe again, and then, if we have the opportunity, moving out bit by bit, through a hearts and minds exercise. That would provide the best chance of a reasonably and relatively secure Afghanistan in future. I hope that that point will be closely considered in the review—not only by us, but by the Americans. I talked about engagement, so I will say one more thing about this issue. I agree with those who say that at some moment we have to talk to the Taliban. The Taliban are not a uniform organisation; there is a whole province right in the centre of Afghanistan which is largely Taliban, and there cannot be an Afghanistan in the future that does not recognise that reality. At some moment, we have to start engaging the Taliban, and I hope that that will also be part of the review.

The last issue that I want to discuss is that of Israel-Palestine. I was pleased that the Queen's Speech talked about a comprehensive settlement, because I do not believe that a deal on the two-state solution can be done only between the Palestinian Authority and Israel. That is for a good reason: part of that solution involves the creation of a secure Israel—and that depends not only on the Palestinians, but on the Lebanese and on the other Arab countries in the area. The settlement has to be comprehensive and include Syria as a key partner if the security needed by Israel as part of the settlement is to be provided.

It is absolutely right that, within the argument about the Israel-Palestine settlement, we begin to engage the countries in the region such as Saudi Arabia, which some years ago put forward a plan that I hope will now be adopted, and Syria. That should also include the elements within the Palestinian Authority which will have to be part of an ultimate settlement. We cannot have a viable Palestinian state that does not, to some degree, recognise the influence and existence of Hamas. At the last election, Hamas secured more than half the votes of the people in the Palestinian state. The idea that one can do a deal with Fatah and hope that it will last is fanciful.

We should be pushing the concept of a new body representative of all the Palestinians—not just Hamas and Fatah, but the prisoners and the people in the refugee camps. That body could negotiate with Israel, giving Israel the knowledge that if it comes to a settlement, that will include the whole Palestinian people and not just a faction of them. That means talking to people with whom we do not talk at the moment. It means talking to Hamas in the Palestinian Authority and to Hezbollah in Lebanon, because in the end it will be part of the necessary agreement to secure Israel's northern border. Those parties are willing to talk, and I hope that our Government will begin to look closely at the need to engage them.

I learned in Northern Ireland that moving towards achieving a settlement can happen only if all those who will have to be part of it are included. We went through a very difficult few years in Northern Ireland. We began the dialogue with Sinn Fein-IRA, and it was very uncomfortable. However, we knew that if in the end we could not bring them in some form into the arrangement that we hoped would secure the future of Northern Ireland—and we hope that it has—we would be back where we had been not only for the previous 30 years, but for the previous 300. We can apply that lesson in other areas such as the middle east and Afghanistan. I hope that that is in the minds of the Government when they talk about a comprehensive peace settlement.

4.49 pm

Kate Hoey (Vauxhall) (Lab): It is a pleasure to follow the right hon. and learned Member for Devizes (Mr. Ancram), with whom I have worked closely on one

of the issues that I want to raise. During this debate it has been very good to see so much cross-party agreement, with Government and Opposition, and the two Opposition parties, agreeing on many things.

I will dwell for a minute on an issue that has not been raised—the growing power of China and our failure to make enough use of the Beijing Olympics to put pressure on China over Tibet. In view of the statement by the Foreign Secretary on 29 October, one could argue that our Government's policy on Tibet had not changed, but we did not use that opportunity to clarify our policy. We missed a chance to impress on the Chinese Government some of the commitments for which we should have asked, such as that they undertake seriously to further the talks with envoys from the Dalai Lama, allow an independent delegation to visit Tibet to see what the conditions are in reality, allow full access by the foreign media to Tibet, stop the increased re-education of monks, and re-evaluate education in Tibet to bring in bilingual policies. Collectively, we will share the blame when things go very wrong in Tibet. We have allowed China, because of the nature of that country, to get away with some of the most appalling human rights abuses, yet at the same time to glory in the Olympics.

I want to deal with the situation in Zimbabwe. Over the past few weeks, the outbreak of cholera has brought that country into focus again. Zimbabwe is one of those subjects where there is a lot of publicity and noise, then for a while it goes quiet again. All that time it is as if things are happening, but we know that all that has happened is that the situation has got much worse for its people. Over the past few weeks, Mugabe's agents have abducted members of the Movement for Democratic Change and representatives of civil society—people are disappearing day in, day out. I was talking to some people in Harare yesterday and in Bulawayo the day before, and I learned that the situation has become even more dire, with the breakdown of sanitation and water facilities. Now that the rains are beginning, raw sewage is getting right into the wells that people use for drinking and washing. We are facing a huge crisis there.

Despite that, some people in the Southern African Development Community countries are still putting faith in dialogue and a power-sharing deal. I believe that the MDC signed up to that deal in good faith. Let us not forget that the opposition in Zimbabwe has not resorted to violence. We are sending out a terribly bad signal to the world—that one cannot bring about the end of a dictator by peaceful means. Although the Opposition in Zimbabwe have used peaceful means, the international community has not come to their aid, and Mugabe is being allowed to stay on as President and carry on with business as usual.

Some strong comments have been made in the past week or two, particularly in the past few days. On Monday, President Sarkozy of France, who is EU President, said:

> "There comes a time when a dictator does not want to hear, does not want to understand, and so my understanding is that heads of state and governments must end discussions."

I hope that he speaks for the rest of the European Union. Many of the southern African countries have continued to make their high-flown statements on democracy and human rights, to which they subscribe as members of SADC, the African Union and the Commonwealth, but their actions fall woefully short of what should be expected after those declarations. In general the silence of many of those countries has been shameful.

At the weekend, the Archbishop of York, John Sentamu, made a bold call for Mugabe and his henchmen to be removed from power in Zimbabwe and brought before the International Criminal Court in The Hague to answer for their crimes against humanity. Last week, his brother archbishop, Desmond Tutu, also called for the Mugabe Government to step down or face indictment for their gross violations of human rights, and he said that if they refused they should be removed by use of military force. He did not go on to say what form of military force should be used, but he meant what many of us feel: in the end there will have to be some form of United Nations intervention. Both of those archbishops know what they are talking about because they were central to the struggle against tyranny in their home countries of Uganda and South Africa.

Mr. Paul Keetch (Hereford) (LD): Does the hon. Lady not recognise what the President of Botswana, who met the Foreign Secretary and Prime Minister in the UK two weeks ago, has said? Botswana has been vociferous in its opposition to the Mugabe regime, calling for fresh elections. It has a huge problem with refugees coming across its border. While what she says might be true about other Southern African Development Community members, Botswana has done more than many.

Kate Hoey: If the hon. Gentleman had been here at the beginning of the debate, he would have heard me intervene precisely on that point, and if he waits until the end of my speech, he will hear me mention Botswana.

The Prime Minister deserves enormous credit for keeping Zimbabwe on the international agenda. He has not found it easy because he faced some denigration of his efforts, not only by Mugabe, which we would expect, but by some African leaders such as former President Mbeki, who has spent his last few years acting as a cosy buffer of protection for the ZANU-PF regime. As the Foreign Secretary mentioned, when the British Government were determined to get the matter discussed at the UN and called for action from the Security Council, the resolution aimed at isolating Mugabe and his elite and at upholding the will of the people of Zimbabwe as expressed in the election of March 29 was blocked. In a shameful move, South Africa led China and Russia in opposition to the resolution. If it had only been adopted then, we might already be helping to rebuild the economy and institutions of Zimbabwe.

I did not think that I would find myself agreeing so wholeheartedly with the outgoing US Secretary of State Condoleezza Rice, when she said last Friday:

> "there has been a sham process of power-sharing talks and now we are seeing not only political and economic total devastation...but a humanitarian toll of the cholera epidemic".

It is clear that the time for talking has now ended. I believe that there is no hope of a power-sharing deal with a dictator who refuses to give up any power. Despite what Jacob Zuma has said this week, and despite the continuing faith of the Tanzanian President

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in dialogue, we have to be honest and accept what Zimbabweans are telling us: the power-sharing process is dead.

I hope that Jacob Zuma will not continue to pander to the views of his hosts in Namibia, where he was recently, which is a long-term ally of Mugabe. I hope that we will soon see something more worthy of his new role as President of the ANC, and that he listens to COSATU—the Congress of South African Trade Unions, which is the voice of the trade unions in South Africa.

For those of us who have been calling for international action to support the Movement for Democratic Change and Morgan Tsvangirai, it is heartening that some of the strongest voices are now to be found in Africa. On Sunday, the Kenyan Prime Minister called on the African Union to deploy troops and to intervene to bring an end to the crisis. Botswana, which has already been mentioned, wants to put an embargo on petrol and diesel exports to Zimbabwe, and I believe that that could dislodge Mugabe from power in little more than a week. Zambia has also expressed support for his removal. Although there is always concern that sanctions may end up hurting ordinary Zimbabweans, they are being hurt so much at the moment that I believe that they would support sanctions, and I hope that soon they will be calling for them.

All the southern African countries need to accept that they have to uphold the will of the people of Zimbabwe. Mozambique, which borders Zimbabwe, has been shameful. It has done absolutely nothing, and the same is true of Malawi and Namibia. Sadly, the British Government and this country have been prepared to let them get away with their destructive stance for too long. We have continued to pump taxpayers' money to those countries despite their support for tyranny and corruption. That has to stop.

African leaders assume that aid will continue to flow regardless of how corrupt or repressed their people are, and they have generally been right because that is what we have continued to do. We have let those countries get away with support for corrupt countries and dictators for far too long. Regardless of the wider impact of the political and diplomatic stance of such countries in shoring up tyranny and corruption, UK taxpayers' money is still being pumped in. I am not talking about food aid, but about the aid to flagship projects, which ends up being seen as helping and supporting the particular president of a country. We must start to link our policies on international development to our policies on foreign affairs, human rights and democracy. There needs to be a much more direct link between the actions taken by nations receiving aid from the Department for International Development and the policy aims of the Foreign and Commonwealth Office.

Even after the jamboree that followed the signing of the so-called power-sharing agreement, Thabo Mbeki came out on television and jubilantly demanded that the world should pile in with financial aid. He has a real nerve to do that. People like Mbeki expect us to be there to pick up the pieces and pay for reconstruction, yet they say that we have no right to comment on the corruption and tyranny that has led to ruin in the first place. He tells the Prime Minister to keep his nose out of Africa, yet he expects us to fork out taxpayers' money with no questions asked.

Why do so many southern African leaders and the African Union ruling elite keep asking what the minimum is that they have to do to get UK aid flowing back into Zimbabwe? The question that they should be asking is what more can they do to ensure respect for the democratic will of the people of Zimbabwe. They seem to think that if they pull off some kind of cosmetic change, that will allow ZANU-PF to stay in power and to continue to fleece our taxpayers by persuading us to provide financial support.

Mr. Hendrick: Will my hon. Friend give way?

Kate Hoey: I will not give way because there are a number of things that I want to put on the record. In the past couple of weeks, it has been encouraging to see the new designations announced by the United States Department of the Treasury, which impose financial sanctions on and make it an offence to do business with four people whom the American Government have called cronies of Zimbabwe's Mugabe. The support of those four people is allegedly allowing Mugabe to undermine democracy, and any bank accounts or other financial assets belonging to them that are found in the United States must be frozen. In addition, Americans are forbidden to conduct business with them.

It is useful to name those individuals again. Nalinee Joy Taveesin is a Thai business woman who is said to have facilitated a number of financial real estate and gem-related transactions on behalf of Mugabe's wife, Grace. Ironically, Nalinee Joy Taveesin has participated in several initiatives on corruption and growth challenges in Africa and south-east Asia while secretly supporting the kleptocratic practices of one of Africa's most corrupt regimes, as the Treasury department has said. Another of those four people is Mahmood Kechik, a Malaysian urologist. He was described as one of Mugabe's physicians and business advisers who dealt secretly with the defence forces commander and Zimbabwe's central bank governor, Gideon Gono, and others to enrich themselves and the Government illegally.

John Bredenkamp is a Zimbabwean businessman and ex-rugby captain who reputedly made his fortune smuggling tobacco and weapons for the former white Rhodesian Government. He is described by the US Treasury office as someone who has clearly been financing himself from the smuggling that he has been doing. Billy Rautenback is a Zimbabwean businessman said by the US Treasury to be close to the Mugabe Government. He has provided logistical support for large-scale mining projects in Zimbabwe that benefit a small number of corrupt senior officials. I should have added that it is alleged that John Bredenkamp is—or has been—living in this country regularly. I hope that the Government are looking into that because we cannot allow such people to be here and we should not be dealing with them in any way whatsoever. We have also discovered that the World Food Programme is using one of Billy Rautenback's companies to transport some of the food it sends into Zimbabwe. That needs to be looked into.

I hope that our Government will ensure that we do all we can to carry out the same sort of policy in respect of those individuals. There is no easy way to make change happen in Zimbabwe, but we as a Government must continue to do every little thing that we can to tighten the screw on Mugabe, and there are things that we can

do. I am pleased that the European Union has increased the sanctions and added to the list of individuals involved, but there are still far too many people who can get their money out of Zimbabwe and into other countries.

The Foreign Office has been extremely good in pushing the Home Office to allow those Zimbabweans who could in no circumstances return to that country to remain here. Many are well educated and should be allowed to work in this country while they are unable to return. I hope that the Foreign Office has a little more influence on the Home Office than the many colleagues in the House who have been trying to get the position changed for some time.

Finally, it is time for us to stop trying to be nice to those other African countries that continue to recognise, talk to and support Mugabe. If they do not do what they should do, we should ensure that we punish them, too.

5.6 pm

Mr. Robert Walter (North Dorset) (Con): This has been a very good debate, because the sense of agreement in all parts of the House has been commendable. I particularly congratulate my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) on his challenging speech about nuclear weapons and my right hon. and learned Friend the Member for Devizes (Mr. Ancram) on his speech about engagement with Syria and Iran. My one slightly negative observation about our engagement with Iran is that I was due to speak at a conference in Tehran last Sunday, but unfortunately the Iranian authorities refused me a visa.

Patrick Mercer: Quite right.

Mr. Walter: I thank my hon. Friend for his support of the Iranian Government's decision.

I want to speak briefly about Africa, although not about Zimbabwe, on which the hon. Member for Vauxhall (Kate Hoey) spoke passionately, but about the Democratic Republic of the Congo, Chad and Somalia, in the context of the European Union missions that have been deployed there in recent months and European security and defence policy generally. I want then to talk about the situation between Georgia and Russia.

I intervened on the Foreign Secretary earlier, because I am concerned about what appears to be a lack of deployment of support for the United Nations force in the Congo. There are plenty of precedents for European Union deployments in the Congo. Some years ago there was the Artemis mission and two years ago there was a fairly successful EUFOR mission to Kinshasa, which I visited. The question of who is answerable to whom was answered in that deployment. During my visit, I was involved in a meeting about security matters in Kinshasa in which the EU force commander, the force commander of MONUC—the United Nations mission in the Democratic Republic of the Congo—the EU special representative and the United Nations special representative all participated.

My concern, which I raised with the Foreign Secretary, is that in the past two years the European Union has agreed to deploy eight battlegroups, but we have never deployed any of them. Two are on call now—one is a British battlegroup and the other is a German-led battlegroup—and they amount to some 3,000 troops on call, deployable at 15 days' notice. The Foreign Secretary was in the eastern Congo on 1 and 2 November with the French Foreign Minister, Mr. Kouchner, who holds the presidency of the European Union. If the decision had been taken to provide that short-term assistance to the MONUC forces, those troops could have been deployed in 15 days and the situation would have been alleviated. They can be deployed only on a short-term basis, and the requirement is only a short-term requirement. If we are to have these battlegroups, and if they are to be on call, surely they should be available for short-term, dire humanitarian situations, such as that in the Congo, where some form of peace enforcement is required. If they are not to be used in such situations, what are they to be used for? They are beginning to become simply a paper commitment rather than a real commitment to any form of peacekeeping, and I would like to see that point seriously addressed.

We can deploy under the EU flag. We have a very successful mission in Chad at the present time, which is protecting refugees from the Darfur conflict. It is there under a UN mandate, and will hand over to an African Union force under UN command in March next year. Interestingly—or perhaps ironically, given the Irish referendum debate—it is led by an Irish commander. General Patrick Nash is the operational commander of the mission, and one of the companies deployed in that force is a company of Irish soldiers.

That demonstrates that, under the European security and defence policy, what is described in Ireland as the triple lock really works. Such a force would deploy only with the UN mandate, and with the approval of the Irish Government and the Irish Parliament. That fits in with the kind of peace enforcement or peacekeeping role that the ESDP was designed for, and with the intergovernmental nature of the ESDP. It does not, as was suggested during the Irish referendum debate, involve a European army. It is an intergovernmental force or, if you like, a coalition of the willing.

There is a similar arrangement at the moment off the coast of Somalia, where the EU naval force is deployed. The United Kingdom is the framework nation for that force, and the mission is commanded from Northwood in London. My real concern is about duplication, however. What appear to be three international naval forces are now deployed off the coast of Somalia to combat piracy. We have the original CTF-150 force, which has engaged with the pirates; we have the NATO force, which has been there for some time; and we now have an EU force. That arrangement involves ships that are from basically the same nations but which are operating under different command structures. We still do not have enough ships, but I am not sure that duplication into three different commands will solve the problem of piracy in the long run. We really need some joined-up government.

I should like to reflect on the Georgia-Russia situation, which has already been mentioned. In the past month or so, I have visited Tblisi and Moscow, where I had discussions about the situation. In the wake of what happened at the beginning of August, the actions of President Sarkozy in the name of the European Union were commendable. He achieved some success, but I seriously question whether any other nation holding the

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EU presidency would have had the same success. I believe that President Medvedev and Mr. Putin were prepared to meet President Sarkozy because he was the President of France, which is a permanent member of the United Nations Security Council. I am not sure—I say this with all due deference to the smaller member states of the European Union—that other presidencies would have had the same success. I am thus very concerned about lulling ourselves into a false sense of security, thinking that we can use the EU in such an initiative. If we had been premature, as the Georgians would have liked us to have been, in advancing Georgia's NATO membership—I support it in the long term—and if an article 5 response under the NATO treaty had been made, I am concerned that we would have been looking at a far worse situation.

The conflict has real implications for NATO, EU and Russian relations. It is a frozen conflict that has moved on slightly, but it dates back to the fall of the Soviet Union. We have to remember that the two provinces, as we have described them, within Georgia—Abkhazia and South Ossetia—were never totally integrated provinces of the state of Georgia. In fact, they were placed in the territory of Georgia by one Joseph Stalin, who just happened to be a Georgian, when he was the chairman of the Soviet Union. They always existed as autonomous units within the territory of Georgia, so there is a danger of looking at the issue too simplistically. Of course we support the territorial integrity of Georgia, but we cannot look at it simplistically in the sense that these areas must be returned as integral parts of Georgia. We need to view the situation as far more complex than that. That is one reason why I believe we will see this revert to a frozen conflict, but with the chess pieces in slightly different places.

We were all dismayed by the fact that two members of the Organisation for Security and Co-operation in Europe and two Council of Europe member states had gone to war in the dispute. It challenges all of us to get the situation back to a more sensible position in which we can engage with the people in South Ossetia and Abkhazia at the same time as engaging with the Russian authorities. We should engage in negotiations on an enhanced partnership agreement with Russia, while making it clear that it is unacceptable for Russia to seek to extend its sphere of influence to independent countries beyond its borders that have the sovereign right to determine their own future.

Together with Russia, the United States and our NATO and OSCE partners, we should prepare the ground for discussions on a renewed security framework in Europe, building on our previous achievements. We need to step up our efforts to seek solutions to all the remaining frozen conflicts in Europe, taking advantage, I hope, of the EU's enhanced credibility as a foreign policy actor and as a valuable counterpart to Russia with regard to issues of security and stability. The EU should further strengthen its relations with Georgia by providing full assistance with repairing the material and economic damage caused by the war and helping it to implement the reforms needed for its consolidation as a modern state based on democracy, the rule of law, good governance and a free market economy.

Finally, we must demand that Russia honour its agreement with the EU, ensuring that the EU monitoring mission that is deployed to Georgia is able to perform its tasks within the administrative borders not only of Georgia itself but of Abkhazia and South Ossetia. That is absolutely essential. I think that those borders must be opened up to that monitoring mission, as well as to the OSCE monitoring mission. I hope that the Minister who responds to the debate this evening will give us the assurance that we are not going to let up on the pressure we put on Russia to honour the obligations it entered into in the two agreements it made with President Sarkozy back in August.

5.19 pm

Mr. Mark Hendrick (Preston) (Lab/Co-op): I want to focus on the European Union's relations with Africa in particular, following on from the hon. Member for North Dorset (Mr. Walter) who touched on a number of the issues. Many references have been made to the troubles in Sudan, the Democratic Republic of the Congo, Zimbabwe and Somalia, and to the role of the EU within a UN context. I want to talk about what the EU is trying to achieve in Africa, despite the problems, because there is a great deal to applaud in its efforts.

It is essential that Europe works with Africa, whether on climate change, migration, HIV or terrorism. I do not believe we can help the continent unilaterally. Clearly, working with the EU makes our efforts that much more effective and powerful. As we have seen from this debate, even the EU working as a body can be daunted by the huge obstacles to peace that many of the conflicts pose.

The EU-Africa summit held in Lisbon in December last year cemented a new Africa-EU strategic partnership, albeit one overshadowed by the attendance of Robert Mugabe and the subsequent boycott by our Prime Minister. Nevertheless, the summit ended with the signing of a strategic "political partnership of equals" which, according to the text, will serve to overcome

"the traditional donor-recipient relationship"

between the EU and Africa. The joint declaration promised co-operation on investment, development, human rights and peacekeeping, and came with an ambitious action plan running to 2010. The plan includes moves towards an Africa-EU energy partnership to promote access to efficient energy services and renewable sources, and a package intended to help the African Union to intervene and prevent likely future conflicts—and Lord knows, there are many conflicts going on there at the moment. Having visited the African Union in Addis Ababa last year to discuss the chaos in Somalia, and with so many conflicts taking place at this time, we know how difficult that will be.

Africa and Europe failed to reach agreement on the comprehensive trade deals known as economic partnership agreements. Interim agreements were signed instead, covering trade and goods and leaving out sensitive areas such as opening up developing countries' services and investment markets. I applaud the Foreign Secretary's statement today and welcome his indication that there will be further efforts to get agreement on trade by rejuvenating the Doha round. The EPAs are good for African development because they offer African countries full access to the European market while allowing them

to keep up to 20 per cent. of their own markets closed to protect domestic industries, but clearly there is further work to be done to ensure that the interests and concerns of African states are met.

There is, however, a new international context. Many of us have looked at Africa from almost—dare I say it?—a neo-colonial viewpoint, but there are many new players in Africa, not just the traditional western nations that have a history of colonisation. The role of China has forced the EU to re-assess its relationship with Africa. Since 2002, African-Chinese trade has increased fivefold to more than $50 billion in 2006. In October 2007, the Industrial and Commercial Bank of China paid $5.6 billion for a 20 per cent. stake in Standard bank of Africa—the biggest single investment ever made on the continent. India has also been buying up oil and mineral concessions in such countries as Sudan and Nigeria. In addition, the US wants to take 25 per cent. of its oil supply from Africa to reduce American dependence on middle east resources.

As I said, China is set to become Africa's biggest trade partner, overtaking the US in 2010.

Mr. Lindsay Hoyle (Chorley) (Lab): My hon. Friend has made an interesting point, but does it not worry him that China could now become the new colonial master because of all the investment and total dependence on the Chinese market? Does he share my concern about future over-dependence on China? Would Africa not do better to ensure that the basket is not filled entirely with China?

Mr. Hendrick: I entirely agree, but that is very difficult to achieve. I was interested in the speech made by my hon. Friend the Member for Vauxhall (Kate Hoey). The west comes along with aid and investment to which strings are attached—quite rightly—in regard to issues such as human rights, while China has no such concerns. It is very difficult to square that circle.

China poses a particular challenge. We need to engage in a fair bit more dialogue, and try to persuade the Chinese that it is in their longer-term interests—about which I shall say more shortly—to take account of issues such as human rights, not just in their own country but in Africa. In the longer term, a stable Africa is much more important to China than an unstable Africa.

Funds from aid are rapidly being overtaken by the amount of investment flowing into the continent from China. Chinese investment in infrastructure, for instance, has already matched that of all the OECD countries combined. As I have said, Chinese money is particularly attractive to African nations because unlike European funds, which are linked to issues such as human rights and good governance, it comes without strings. However, there is an accompanying danger that, as the Foreign Secretary pointed out,

"commodity boom enriches the few, stunts the diversification of the economy, and leads to poor governance, with rulers accountable to foreign interests, rather than to their people."

I am sure that China recognises that, and it is to be hoped that in the future it will do what it can to ensure that its investment is positive. A more stable Africa is as much in its long-term interests as it is in the immediate interests of the African people themselves.

The European Union cannot be replicated everywhere, but it has been shown that prosperity and security can be achieved through the sharing of resources and political power. In that respect, the development of the African Union is exciting and positive. The AU has a long way to go; it operates in a fragmented environment, and at present lacks the same levels of organisational structure, supranational power and political commitment of members as the European Union. However, it has already played a major role in restoring peace to Burundi, and has deployed peacekeeping missions in both Sudan and Somalia—although, as has been said, there is still a great deal to be done.

There are three key areas in which the EU and the AU should work closely together. Obviously, as has also been said today, one is conflict. In 2003, the EU deployment in north-east Congo helped to prevent bloodshed, and allowed the United Nations time to reinforce and reconfigure its peacekeeping mission. Today, 3,000 EU troops are trying to stabilise eastern Chad. Obviously there is much more scope for that elsewhere in Africa, for example in Sudan, and we hope to see more and more of it. It is highly desirable for the EU and the AU to act together in a UN context.

The second is energy. Africa has the world's largest desert, the Sahara, and with it comes huge solar power potential. If we had peace and stability in the DRC, the proposed Grand Inga hydroelectric project on the Congo river could bring power to 500 million Africans for the first time. Through the EU's emissions trading scheme and the clean development mechanism, the EU could help to provide the finance needed to make that a reality. Generating energy in that way could eventually enable Africa to export energy rather than importing it, and rising prices for that energy could lift millions of Africans out of poverty. For the EU, it would mean a new, green energy supply on its doorstep.

Thirdly, in terms of development, rising food prices are forcing Africans to cut back on education and health care, and to sell off livestock in order to be able to eat. The EU, as the world's largest aid donor and largest single market, can play a big role. For larger-scale agriculture, we need more progress on reducing agricultural tariffs and subsidies, so that in addition to Africa one day being able to feed itself, it could export food to Europe.

Surveys show that nine out of 10 Africans want to live in a democracy, and events this year in Kenya and Zimbabwe demonstrate this sentiment. Not only is it our duty to support people in this fight for moral reasons at the very least, but democracies are more likely to respect human rights and support open trade, and are less likely to go to war. Rather than just focusing on whether we should support democracy, the EU should concentrate on how to support the institutions and constitutions of African states, and try to work out what forms of democracy could work in weak states and in countries with ethnic and religious divisions or fragile economies. Ideally, democracy should, of course, be home grown, but there are practical ways in which the EU could support democracy in Africa. First, we could use our aid budgets to support accountability and help to support state institutions and civil society, as we are doing. Secondly, trade can be used not just to drive economic growth, but to nurture social and political modernisation. That is why the "Everything but Arms" system and the economic partnership agreements are so important. Offering duty-free, quota-free access to EU

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markets is also important, which is why aid for trade and a new global trade deal to give all developing countries better access to global markets are crucial.

We could call for more robust diplomacy to be applied. Where the international community through the United Nations is united in its condemnation of a regime, and where it is prepared to support that with targeted sanctions and to play an active role in mediation, the legitimacy and viability of authoritarian regimes can be undermined.

In countries suffering from conflict, troops may be needed to provide the security that is the platform for re-establishing democratic governance. The readiness of British forces to provide such security is already well established, as we have seen in different parts of the world.

Zimbabwe poses a massive threat to the region, as its neighbours will continue to bear the brunt of Mugabe's actions. The UK has made it clear that a continuation of the status quo is not an option. The Foreign Secretary has said a great deal in the debate about what the Government have done and can do. I will not add to that, except to say that in my view we might not be able to remove Mugabe in the foreseeable future without the use of force. I believe it is not enough to will the ends, and that it is likely that we will need to will the means in order to see change in Zimbabwe.

In 2006, the EU helped the Democratic Republic of the Congo stage its first presidential and legislative elections in 40 years. This involved transporting 1,000 tonnes of ballot papers, and 2,000 EU troops supported the UN in maintaining a peaceful environment for those elections. It is a tragedy that this conflict has broken out and is continuing, and I believe that the EU will play an important role in bringing it to an end.

My natural father was from Somaliland. I say "Somaliland" deliberately because the picture there is very different from that in the rest of Somalia. Somaliland has been stable and democratic, and it constitutes what used to be the British colony of British Somaliland. There is a system of governance and democracy that has made it very stable. It should be used as a beacon and example for the rest of Somalia, but at present it is not even recognised as a state by the UN, although there are moves to try to change that. If we are going to stop the piracy off the Gulf of Aden, Somalia must become a stable state, rather than the failed state that it is at the moment. Until there is a stable Somalia alongside a UN-recognised Somaliland, that piracy will continue, no matter how many warships we send to the area.

Finally, the European Union has done much, but it still has much more to do to support Africa. As Africa is the only continent on earth that is going backwards and not developing, we have a duty to provide support through the European Union for the sake of humanity as a whole.

5.35 pm

Patrick Mercer (Newark) (Con): Thank you very much, Madam Deputy Speaker. May I welcome you to your place?

It is a pleasure to follow the hon. Member for Preston (Mr. Hendrick). I hope that I shall not detain the House for long, and I am sure the House does too. I wish to talk a little about the details of the recent attack in Mumbai and its implications for our foreign affairs and, consequently, for how we are going to deal with a similar attack in the future—such an attack is not inevitable, but it is highly likely.

First, it is worth mentioning that the attack was thought to have been carried out by about 10 or 12 terrorists, but I believe that is wrong—I believe that we will find that many more terrorists were involved. It might be worth dwelling for a moment on the British experience of this sort of thing. For what they were worth, my comments immediately afterwards were that we are not necessarily terribly well prepared to deal with this sort of attack. They were immediately shot down by a number of different individuals—I shall return to that in a moment—but we are not strangers to this form of attack inside this country.

It will have been forgotten, but in December 1989, 16 gunmen in an improvised armoured vehicle used automatic weapons, flame-throwers and rocket-propelled grenades to attack a Regular British Army post on the Fermanagh border. They drove off that Regular Army garrison—they were not from my regiment, I hasten to add—killing two of them and capturing a Regular British Army base. When I have said to police sources that it is possible that such an attack could take place, they have replied, "No, it won't, because they can't get the weaponry to operate inside this country." It is worth bearing in mind the fact that No. 10 Downing street was attacked with weapons that were much more powerful than their commercial equivalents.

How have we dealt with evolving terrorist tactics in the past? After the Mumbai attacks, a number of voices have been raised up in lamentation saying, "Actually, things are just fine." But are they? We must bear it in mind that not much more than 25 years ago, when the terrorist threat to our oil and gas fields in the North sea developed, we were pretty quick to develop the Comacchio group. I do not need to tell the Ministers sitting opposite of the excellence of that organisation, which is still in existence. It is based in Arbroath and, to the best of my knowledge, it has never had to fire a shot in anger. It is difficult to say what has stopped those targets being attacked, but I suggest that a powerful, capable, properly resourced and armed organisation such as the Comacchio group has probably deterred—deterrence being the important point—attacks on those sorts of targets.

I turn to the question of whether British terrorists or British-groomed terrorists have been involved in the Mumbai attack. I have no doubt that such an involvement will emerge, but two important questions need to be addressed. If these gunmen have recently been resident in this country or if the plot was partially or wholly hatched in this country, we need to be terribly alarmed. I do not believe that that necessarily was the case, but I am sure that there were British connections and that many of the individuals will prove to have been British residents, to have been born in this country or to have been British passport holders. If they are found to have been resident abroad for five or 10 years living, let us say, in Pakistan, it will be slightly less alarming, but it will none the less be very concerning.

This incident is highly likely to lead to further friction between India and Pakistan. Despite the fact that Lashkar-e-Taiba has been blamed for this attack, I have no doubt that the core planning of it was carried out by

al-Qaeda. That is why rather than the targets just being Kashmiri, Indian or Pakistan-focused friction targets, British and American passport holders were targeted, as were Israelis and Jews, as has been mentioned. If that is not the hallmark of a core al-Qaeda operation, I do not know what is. Therefore, when we hark back to events such as the attack on the Indian Parliament in 2001, the subsequent arrests in Pakistan and the arrests there in the past few days, it is crucial to ensure that the tension between those two nuclear-armed countries is defused as far as possible. Those arrests must be seen to be proper arrests, and the individuals must continue to be kept under lock and key and, eventually, brought to justice.

I ask Ministers to think carefully about the prominence of LET inside this country and the implications of the enemy operations in India. We must consider just how significant and sinister this organisation is, and how far it has penetrated inside this country. For example, I bring the case of Mr. Rashid Rauf into focus. He was a citizen of Birmingham and a British passport holder, and he was heavily involved in LET in its initial stage. Later, he was a very highly placed al-Qaeda operative. I will not dwell on the rights or wrongs of his death. If terrorists are to be killed, well and good, but we should ensure that they have been tried in front of proper court of law and condemned by the appropriate authority.

I ask Ministers to think very carefully about British involvement in that style of operation. I understand the sensitivities involved, and how difficult it is to draw the boundaries correctly on such operations. However, if terrorism is to be defeated, it must be defeated within the letter of the law.

If we are reflecting on organisations such as LET, I ask the Secretary of State also to think carefully about Tablighi Jamaat. Although it has denied any involvement in terrorism, a leaked FBI memo, obtained by US media in 2005, raised fears that al-Qaeda was using membership of that organisation

"as cover...to network with other extremists in the US"—

and in the UK. I accept the word of Tablighi Jamaat that it is not involved in terrorism, but—with the Olympic games in the not, too distant future and its plans to develop a mosque alongside a maritime access route to the Olympic site—I would like Ministers' assurance that it is being examined, watched and scrutinised to ensure that its wholly legitimate aims are not in some way being suborned.

I wonder how well prepared we are for a similar attack. Why was it different? The answer is that it was not; it is just that more enemy gunmen were involved than we have seen for many years. Do we have the forces to deal with a similar incident? When I asked that question in the media 10 days ago, the Home Secretary and others immediately reassured me that we did. I was extremely interested to see an interview with the Mayor of London in which he said that a combination of the maritime support unit of the Metropolitan police and the Special Boat Service is poised and sufficiently numerous to deal with such an attack on the Thames. What about the Humber or the Severn? What about our other great rivers and maritime targets? Can Ministers honestly tell me that Milford Haven, for instance, which has been right at the top of the terrorist attack list for the past five years to the best of my knowledge—that comes straight from Khalid Sheikh Mohammed—is properly defended against that style of attack?

We must clearly not become mesmerised merely by the maritime threat that our enemies pose.

Mr. Hendrick: As I have spoken already, I shall not say a great deal, but during the summer I was in China. Although I did not go to Beijing and see the Olympics, I was in Shanghai and in every underground station in every part of Shanghai that I visited bags were checked Perhaps we need the same level of security as I saw in China to be applied throughout the UK in order for it to be successful.

Patrick Mercer: The hon. Gentleman has no doubt heard me dilate on that point in the past. We must concentrate on not only London as being vulnerable to terrorism but on our provincial capitals. I ask Ministers to think very carefully, although I do not expect an answer today. We must provide cover not just from the maritime threat but from the airborne threat, too.

Interestingly, despite what we have heard about the preparation to counter the maritime threat, Lord West of Spithead, the Home Office Minister responsible for security, told Members of Parliament on the Select Committee on Defence recently that he was concerned that no overall body was responsible for monitoring maritime traffic around the country. He said that the Royal Navy is charged with keeping watch on larger vessels but that other organisations, such as the Maritime and Coastguard Agency, local authorities and the police have varying degrees of responsibility over smaller boats. Whatever we like to think, if the Government's own Security Minister is pointing that out as a yawning gap in our security, I would seek reassurances from Ministers that we have addressed the subject as seriously as we can.

Lastly—I promise that this is my last point—we need a root-and-branch review of the special forces that we have available to deal with such a style of attack. There is no doubt that our SBS, our Special Air Service and the police specialist armed response units are first class. They have done sterling service not just in dealing with such style of attacks when they develop but, more importantly, in deterring them before they occur. However, by the time that the groups of two, three or four in which we have seen our enemies operating most recently start to operate in dozens, with two operational theatres being manned by our special forces in Iraq and Afghanistan and the crippling manpower problems faced by the Army at the moment, we will not have enough specialist forces developed, trained and easily deployed. The facilities are not available to get the forces that already exist quickly from one part of the country to another.

The bombings on the tube in 2005 caught us with our pants down. We were lucky that the numbers of dead and injured were not hideously worse. I implore Ministers to look carefully at the new style of attack and the new volume they come in before we are caught as badly in the future.

5.48 pm

Andrew Gwynne (Denton and Reddish) (Lab): I am grateful for the opportunity to speak in this debate. I was pleased to see the reference made in the Gracious Speech to the Government's commitment to securing a lasting settlement in the middle east peace process and it is on that subject that I shall concentrate.

[Andrew Gwynne]

Although the peace process was covered by just one sentence in the Gracious Speech, I believe that it is one of the most pressing issues facing the Foreign and Commonwealth Office; it is certainly one of the most long standing. I know that my right hon. Friend the Foreign Secretary has invested considerable time and effort in it, not least through his most recent visit to Israel and the Palestinian territories, Syria and Lebanon. The recent visit of the Israeli President, Shimon Peres, and next week's Palestinian investment conference in London also demonstrate the Government's active and dedicated engagement with the peace process.

I firmly believe that the Israeli-Palestinian issue must be resolved if we are to achieve long-lasting peace and security, not just in Israel and a future Palestine, but in the wider middle east and even further afield. As parliamentary chair of the Labour Friends of Israel group, I will give my utmost support to efforts to achieve the Government's goal of a two-state solution that leads to a safe and secure Israel living side by side with a viable and democratic Palestinian state. There are huge obstacles ahead, however, and it is crucial that the political developments and changes in the US and Israel move the peace process forward. The EU and the Arab world must work together with all parties involved to bring about a sustainable peace in the region. There is a real risk of further violence if we simply stand still. I therefore urge the Government to continue to impress on the incoming US Administration the need to place this issue at the top of their foreign affairs agenda from day one.

It is important, however, that Members in all parts of the House recognise the progress made over the past 13 months. We need to be optimistic about the future. The Annapolis conference, held on 27 November last year, was the launch of the first peace process in seven years, and continuous and comprehensive political negotiations have taken place between the parties. The Israeli Foreign Minister, Tzipi Livni, and the head of the Palestinian negotiating team, Abu Ala, continue to meet regularly. The last Quartet meeting, held on 9 November, saw Israeli Foreign Minister Livni and Palestinian President Abbas inform Quartet representatives of the progress made to date by both parties. Livni and Abbas reaffirmed their shared commitment, as originally pledged at Annapolis, to "joint understanding" and to "vigorous, ongoing and continuous negotiations".

The deployment of recently trained Palestinian security forces in the west bank cities of Nablus, Jenin and Hebron to tackle attacks by militants was highlighted by the Quartet as an example of greater security co-operation between the Israelis and Palestinians. Those deployments form part of a security plan conceived by Palestinian Prime Minister Salam Fayyad, the implementation of which involves co-operation among a number of partners, including Quartet envoy Tony Blair, US security envoy Lieutenant-General Keith Dayton and Israeli Defence Minister Ehud Barak. The project has been successful and there are now plans to send a similar force to Bethlehem by Christmas and to expand to further cities in the new year.

As well as security improvements, there has been significant economic progress in the west bank. The Israeli civil administration published figures for 2008 showing a 24 per cent. average increase in daily wages earned by Palestinians in the west bank and a 3 per cent. drop in unemployment. In addition, 2008 has seen a 35 per cent. increase in trade between Israel and the Palestinian Authority, and there has been an 87 per cent. increase in tourism to Bethlehem since the beginning of the year, thanks to improved security conditions. The tourism boom that is expected to rise over Christmas serves shared Israeli-Palestinian interests, strengthening security in the region and bolstering the Palestinian economy.

On 30 November, the Israeli Cabinet approved Israel's outgoing Prime Minister Olmert's pledge to Abbas at their 17 November meeting to release 250 Palestinian prisoners. The prisoners will be released on 15 December as a goodwill gesture in anticipation of the Muslim Eid holiday. We must encourage both parties to engage in further confidence-building measures and to do more to implement their road map commitments. For the Palestinians that means dismantling Palestinian militant infrastructure, and for Israel it means freezing settlement activity.

I welcome the Israeli Government's announcement on 2 November of their intention immediately to cease all funding for illegal outposts in the west bank. In that context, I also welcome the evacuation by Israeli security forces of some 200 settlers from a house in Hebron on 3 December. The settler violence that we have seen in response to that evacuation is unacceptable, and I condemn it in the strongest terms. We should also do everything in our grasp to further empower the moderates. Although there have been some very positive steps thus far, 2009 must be the year of concrete progress towards a two-state solution.

Sadly, the situation in Gaza does not reflect the progress being made in the ongoing negotiations between Israel and the Palestinian Authority. The current Israel-Hamas ceasefire that took effect on 19 June is extremely fragile and the agreement is due to end in just over a week's time. The people of southern Israel have yet to see the benefits of that truce. I commend my right hon. Friend the Foreign Secretary on visiting Sderot and on his show of solidarity with the people who live there. I have been to Sderot with the Labour Friends of Israel on two occasions as part of parliamentary delegations, and I have seen the growing stockpiles of spent rockets and mortars in the local police station. I have also seen the reinforced roof of the local primary school and the rocket shelter in the schoolyard, which is brightly painted with murals to reassure the local children.

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab): I, too, was part of the delegation that went to Sderot in September. We all recognise the need to do more about the situation in Gaza, but the terror in which some Israeli people live in Sderot was obvious. Almost two thirds of people there have recognised post-traumatic stress disorder. I wonder whether my hon. Friend will say anything about that.

Andrew Gwynne: My hon. Friend is absolutely right. The situation is terrible for the people who live in that town. In the past month, Hamas and other militant groups have fired more than 200 rockets and mortars at Israel, resulting in a number of Israelis being injured.

Militants based in Gaza have also fired Iranian-manufactured Katyusha rockets, which have a longer range of 20 km. About 200,000 civilians in Israel's southern communities of Ashkelon and Sderot and in the western Negev communities now live in daily fear of rocket attacks from Gaza.

Hamas and other militant groups continue to use the ceasefire to smuggle arms into Gaza through their illegal tunnels. On 4 November, Israel's defence forces uncovered in Gaza a tunnel being built by militants so that terrorist attacks could be launched inside Israel, where militants planned to capture more Israeli soldiers. Hamas is still holding the Israeli Corporal Gilad Shalit, who was kidnapped on 25 June 2006 in a cross-border raid from Gaza into Israel that resulted in the death of two other Israeli soldiers. Since that date, Corporal Shalit has been held against his will and the International Committee of the Red Cross has been denied access. Tomorrow marks his 900th day in captivity. I urge the Government to do everything they can to bring about his immediate release.

The situation in Gaza is having a grave impact on the ordinary civilians living there. Israel has allowed increasing amounts of humanitarian supplies into Gaza since the ceasefire, but more needs to be delivered to meet the needs of all Gazans who are directly dependent on humanitarian assistance. The situation is not helped by the fact that militants continue to launch attacks against Gaza crossings. In the most recent of those attacks, on 28 November, militants launched a barrage of 17 mortar shells at the Nahal Oz fuel terminal. One of the mortars hit the IDF base at the crossing, wounding eight soldiers, one of them critically. Despite those security challenges, there is an obligation on all parties to ensure the basic well-being of the Gazan civilian population.

The Annapolis peace process continues against the backdrop of Palestinian disunity. There is also uncertainty surrounding the possible end of President Abbas's presidential term in January 2009. Egyptian efforts to bring about Palestinian reconciliation are ongoing. We all want Palestinian unity, but it is important to ensure that any new Palestinian Government are committed to the Quartet principles of renouncing violence, recognising Israel and respecting existing peace agreements.

My focus today has been on the Annapolis peace process, but we should not underestimate the potential of the two further, complementary tracks to peace, both of which also came to the fore in the past year. First, the Arab peace initiative offers a real chance for a comprehensive peace between Israel and the Arab world in exchange for lands captured by Israel in 1967. That initiative can support the Annapolis peace process. It is vital that the API is reinvigorated by both the Israelis and the Arabs, with strong EU and US support. I would like to ask the British Government what discussions they have had, alongside current talks, with their Israeli and Palestinian counterparts to encourage their respective negotiating teams to consider the API as a framework for peace. Secondly, Israel and Syria have held four rounds of indirect talks, mediated by Turkey. There have been no further negotiations since the fourth round of talks held in Ankara in late June, but Prime Minister Olmert has expressed a strong interest in holding further talks.

Finally, I want to mention the destabilising players in region. Syria is not alone in supporting, funding and training terrorists operating in the middle east. Iran is sponsoring Hamas in Gaza and Hezbollah in Lebanon, which is rearming at an alarming rate in blatant contravention of UN Security Council resolution 1701. Iran is determined not to see a peace process occur and is deploying any means available to sabotage progress.

The middle east peace process is fragile and complex and is vulnerable to external attempts to disrupt it. If we miss the crucial window of opportunity that the Annapolis process offers us, as both the Foreign Secretary and the shadow Foreign Secretary said, it will come at a painfully high cost to innocent civilians on both sides of the conflict. I commend the Government for their commitment to achieving a two-state solution, and I hope that that will actively continue, whatever challenges may lie ahead.

6 pm

Mr. Richard Benyon (Newbury) (Con): It is a feature of being fairly low down the parliamentary food chain that my remarks will be curtailed. It has been an interesting debate, with an opportunity to listen to some of those whom I respect most in the House, not least my right hon. and learned Friend the Member for Devizes (Mr. Ancram), who is my neighbour, and the hon. Member for Vauxhall (Kate Hoey), who made a typically courageous speech on Zimbabwe.

This is an interesting time for defence. We know about the draw-down of force levels in Iraq. Despite it being a particularly bloody time in Afghanistan, there are interesting political development there. We hear stories that Mullah Omar, for example, is being invited by President Karzai to Kabul. We wait to see how that situation evolves. Who would have asked themselves in the early 1970s how long Operation Banner would continue in Northern Ireland? Would we honestly have said that we would be there for a further 35 years? I believe that the prevailing wisdom is right and that we will be in Afghanistan for a very long time, but who knows?

Is this not the time for a new strategic defence review? Many of us in the House would like nothing more than to see the armed forces substantially enlarged. We all live in the real world and know that there is nothing in the kitty for a much larger expansion of our armed forces in the next few years. When my right hon. Friends on the Front Bench talk about defence expenditure, Ministers huff and puff and attack us for not being specific about our financial commitments, but they know and their predecessors who were involved in the previous strategic defence review know that it is impossible from the Opposition Benches to give accurate estimates of the expenditure that one wants to achieve in defence. It is not possible through freedom of information trawls or written questions, for example, to find out why there are more than 20,000 people employed in defence procurement and similar areas.

I compliment the Government on the 1998 strategic defence review. I took another look at it the other day. It is a very good document, which described Britain's place in the world as it was seen at that time, and it tried to balance our understanding of where we in this country feel Britain should be with a resource commitment to our armed forces. Unfortunately, the resource commitment has since been fudged. As part of a future review, we need a close examination of procurement.

[Mr. Richard Benyon]

There are two prevailing and polarised views on procurement. One approach, voiced by one of my hon. Friends, whom I informed that I intended to mention his position, is that procurement has been wasteful and even corrupt. It has denied our servicemen on operations the equipment that they need. My hon. Friend and others would argue that it is focused on defence industrial profiles, perhaps in marginal seats, rather than on the equipment needs of our fighting soldiers, sailors and airmen. Those who hold that view argue that it is better to buy equipment off the peg.

The other approach is that procurement is complicated and it takes time to get it right. Weapons systems are complex. Those who take that view would argue that it is a strategic imperative to maintain a diverse defence and aerospace industrial base, and that British defence companies are good for our security and our balance of payments. They would also argue that it makes strategic sense to have long-term relationships with defence manufacturers. So, there are two clear certainties. I am always jealous of those who can be certain about anything in politics. There are certain things about which we can all be certain—I am sounding like Rumsfeld now—but for most of us, issues such as this are not black and white; there is no light and dark, but a large area of grey.

I believe that both the polarities that I have described are to a large extent right and to an extent wrong. Both arguments can select examples from recent years to cite in their own support. The "off the peg" fraternity, for example, will cite a number of shambolic experiences such as the Nimrod fiasco, which has cost more than £2.9 billion more than was originally predicted. On the other side of the argument, those who disagree with the "off the peg" option for complex military matériel will cite the case of the Boeing Chinook Mk III. That has been an absolute fiasco, given that the helicopters still sit in sheds somewhere while people try to sort out the software, which cannot work with our systems.

I hope that a new Conservative Government will ignore any certainties from the past and develop a clear vision for procurement, first by learning from the experiences of urgent operational requirements. Let us face it, those are fairly simple pieces of military kit; a mine-proof vehicle is relatively simple compared with a Chinook helicopter. The good news about urgent operational requirements is the speed with which they can be delivered to the front line. Of course, Ministers do not talk about the fact that a large proportion of the cost is clawed back from the core defence budget in subsequent years.

Secondly, we have to accept that there is a strategic imperative of maintaining relationships and working a skills base across a domestic aerospace and defence industry. There are good reasons for that; there are our own defence needs and there are the wider advantages of a vibrant aerospace and defence industrial base and the benefit that it gives to our balance of payments and employment.

We also need to consider the third issue, which is to do with the speed at which we provide equipment from start to finish. In military jargon, we talk about the "flash to bang" time. As a soldier, I always found that bizarre. It was supposed to be the method that we used to measure the distance that we were from an atomic device that was going off; I never thought that we would be in much of a position to measure that in the first place. The "flash to bang" time for the delivery of matériel to our armed forces has been astonishingly long, and that should be one of the core things that we seek to change in future.

Fourthly, we should consider upgrades. Extending the end-of-life date for platforms is extremely important. We can learn from the experiences of the Tornado; the improvements made by British Aerospace on the targeting pod and the complexity of electronic warfare systems can give much extended life. As has been mentioned, the five criteria applied to procurement are capability, affordability, adaptability, interoperability and exportability. I shall talk about the latter soon, but I would add one more: rapidity, which is important.

I draw Ministers' attention to an article in *Jane's Defence Weekly* this week. It discusses the need to find a means of reigniting economic growth across western economies. It says:

"Such an opportunity has already been missed in the UK, where the treasury's 24 November pre-budget report outlined a GBP20 billion ... stimulus package that included GBP3 billion for infrastructure projects. The defence sector was largely ignored".

It goes on to describe the disappointment in the defence sector. There have been leaks in the *Financial Times* about cuts to various projects, and that is extremely worrying. Our defence exports are a wonderful way of enhancing our economy and supporting British industry at this time. That makes all the more crazy the decision taken about 18 months ago to close down the Defence Export Services Organisation and replace it with a new organisation based within UK Trade and Investment.

That decision by the Prime Minister, which was taken in his first few days in office, possibly with the encouragement of Baroness Vadera, has destroyed one of the best examples of Government-industry co-operation. In the defence industry, there is a £55,000 per employee added value element to what they do. That is a fantastic earner for our country. I cannot understand why the decision was taken. DESO was a first-class organisation. We have lost a lot of the people who were fundamental to the success of our defence industry, and the new organisation, whatever its merits—I applaud the people who are involved with it—will not be as good. The good news is that it is portable, and as soon as possible it should be transferred back into the remit of the Ministry of Defence, where it can do Government-to-Government sales and people will want to work with it to achieve that.

The Prime Minister's decision has satisfied neither side. For all the celebrations among the anti-arms trade people, it did not satisfy them because they see that there is still an organisation in Government; and it certainly did not satisfy the defence industry. I hope that we can encourage the people who are still working in the organisation to hang on in there and assure them that they will be valued by a future Government, when they can return to the Ministry of Defence and we can continue with a successful defence industry that can work well for jobs in this country, for our balance of payments and for the future prosperity of us all.

6.11 pm

Mr. Mark Lancaster (North-East Milton Keynes) (Con): It is a pleasure to be able to contribute to this debate. I intend to be brief because I know that other Members wish to speak.

I was pleased to hear the Foreign Secretary say that he was determined to continue to support our troops in Iraq and in Afghanistan. I wish to focus my comments on one particular issue—the Government's decision to withdraw the Harrier from Afghanistan and replace it with the Tornado from 1 April 2009. There are many arguments floating around as to why that should be, with conspiracy theories about inter-service rivalries—about the Royal Air Force wishing to finish off the Fleet Air Arm or wishing to maintain control over the future joint strike fighter. I am not qualified even to begin to comment on those conspiracy theories, so I will leave that to somebody else.

Following on from a debate in Westminster Hall, I would like to construct an argument that is based purely on factual answers that I have received to parliamentary questions. Before I do that, I would like to say through you, Madam Deputy Speaker, how disappointing it has been to receive some of those answers from the Ministry of Defence. In the past 10 days alone, we have had to correct the parliamentary record on three occasions. When I first asked whether the Harrier had served in Operation Telic, I was told that it never had, and then, as a result of the answer to Question 239716, we discovered that it had. I asked how much has been spent on operational requirements for the Harrier in Afghanistan, and following the answer to Question 238824, we had to correct the parliamentary record. I asked how many Harrier pilots had served in Afghanistan, and we had to correct the parliamentary record again. I am afraid to have to say to the Minister that I fear that even the corrections to the parliamentary record will have to be corrected in the next few days.

It is not only hon. Members who are getting misinformation. During the debate in Westminster Hall, the Under-Secretary of State for Defence, the hon. Member for North Durham (Mr. Jones), who is now sitting on the Front Bench, said:

"In some ways the Tornado brings capabilities that the Harrier does not, such as the 27 mm cannon and the new RAPTOR imaging system—the reconnaissance airborne pod Tornado—which has been used very effectively in Iraq and, I am told, will be in Afghanistan as well."—[*Official Report, Westminster Hall*, 19 November 2008; Vol. 483, c. 95WH.]

That is factually incorrect, as we discovered in the answer to Question 241200 that the RAPTOR imaging system will not be fitted to aircraft deployed to Afghanistan. If Ministers and hon. Members are being given misinformation and the parliamentary record is having to be corrected on such a regular basis, how can we even begin to make these decisions? It is pretty worrying.

Perhaps we start at a point where we do agree, which is that there were initially concerns that the Harrier's continued operation in Afghanistan would affect its airframe life. I am delighted that that was put to rest in the letter to me from the Under-Secretary after the debate. It appears that the operations in Afghanistan are less of a strain on the Harrier airframe than training for peace in the UK.

From a financial perspective, that decision seems to make absolutely no sense. During the past few years, we have spent £885 million on upgrading the Harrier to its current performance level in Afghanistan. The upgrade to capability E—an extra capability for Afghanistan—cost £728 million. The new Mk 107 engine cost £122 million. Urgent operational requirements for the Harrier in Afghanistan cost £45 million. The total is £885 million, with annual running costs of £20 million. According to the answer to Question 238825 on 24 November, that is £16.5 million more than if the Harrier were to operate solely in the UK. What will be spent to put the Tornado into theatre? In answer to Question 238826, we discovered that £40 million of urgent operational requirements is needed to bring the Tornado up to basic theatre entry level. We need £7.5 million for the theatre entry standard upgrade and some £20 million to sustain it. That makes £67.5 million simply to change two aircraft over in theatre. The Secretary of State may not take my word for it, but I understand that the National Audit Office is doing a detailed report on the financial decisions taken on this matter, and they will be published shortly. The NAO was in theatre only two weeks ago, and I understand that that report will be pretty damning about those decisions.

The Royal Air Force has relied on claims that harmony guidelines are not being met. Fascinatingly, I have been trying to get information on this matter out of the Ministry of Defence for some time. Back on 24 March, my hon. Friend the Member for Woodspring (Dr. Fox) asked about the matter in Question 193887, and he was told that no Harrier pilots were then breaching harmony guidelines. When I ask similar questions now, however, I am told that the information is not held centrally. Why was it available in March but not available now? Could it perhaps be that the information does not support the RAF's argument any more?

It has taken me three weeks to establish what the harmony guidelines are. We end up with a complicated picture, as they are different for each of the services. They are different for formed units and for individuals. For example, the Royal Navy sets separated service at a maximum of 660 days in a three-year period. How many Royal Navy Harrier pilots have been away for 660 days in the past three years? I doubt that any have been. The RAF has a separated service planning target of 280 days in a 24-month rolling period. How many RAF Harrier pilots have been away for that period? I doubt that many have. As a serving soldier, I looked at my pay statement last week; in the bottom right-hand corner it tells me exactly how many longer separated service allowance days I have had in the past three years. That is on my pay statement; surely it must be on individual statements throughout the armed forces. If I were in the RAF at the moment, at Cottesmore, knowing that that information was held at a squadron level, I would try to choose a 20-month period which has a minimum number of Royal Navy Harrier pilots, because its harmony guidelines are far lower, and maximises the number of RAF pilots to try and prove the argument. Harmony guidelines are a bit of a red herring in this argument.

We have had some debate about the capability of the two airframes. I will not go into detail on that, but we have already seen from the answer to parliamentary Question 240495 that Tornado will not be deploying with RAPTOR, as the Under-Secretary of State for Defence, the hon. Member for North Durham, said it would. We also discovered in the answer to parliamentary Question 239740 that it will be unable to carry the Paveway 4 missile—the great new weapon that is supposed to help with proportionality. It will, however, be able to do so in the future once the urgent operational requirements are complete. Perhaps that is the crucial part of the argument.

[Mr. Mark Lancaster]

There is now some acceptance, partly through parliamentary questions that have not been answered, that there will be a difference between the initial operating capability of the Tornado when it first goes to theatre on 1 April 2009, and its final operating capability, which will be higher and will hopefully come somewhere near that of the Harrier. We will not get drawn into the detail of that, but there is an acceptance that there will be a dip in capability initially, after it is first deployed, and we will get back to a higher capability after a period of weeks—or perhaps months. I see one Minister nodding and one shaking his head; perhaps that tells me everything about the confusion in the Department at the moment.

My question is simple: given that there is now an acceptance that there will be a different capability, why can we simply not delay the deployment of Tornado until its final operating capability is met? That would ensure that the troops on the ground received the same level of support as they do today.

There are no arguments against harmony. Chinook pilots currently go for two, four or five months, so why is 1 April so vital? Is it simply because we are determined to try to save the red faces of the MOD, which has set that date in stone, or is it because if the Harrier is not in theatre after 1 April, it will be subject to the programme review and face cuts? If neither of those is the answer, perhaps the Secretary of State will say when he winds up the debate why we cannot slip this, when it is only a matter of weeks—I have been assured that it is not months. Will he assure me that there will not be any cuts to the Harrier force?

These are important matters and I am concerned that the main reason they are not being dealt with now is to save embarrassment, careers and the Royal Air Force's face instead of ensuring that we get maximum protection and support to our troops on the ground. There is risk and that is accepted; Ministers have accepted that there is a risk in sending Tornado, but it is their job to judge whether that risk is acceptable. If we discover in time that they have taken that risk, which the parliamentary answers I have received have shown is unacceptable and unnecessary, and we discover that troops have been injured or—God forbid—killed, it will be tragic, and I, personally, will be determined to try to hold the people who took that decision to account.

6.21 pm

Mike Gapes (Ilford, South) (Lab/Co-op): I would like to begin by paying tribute to the staff who work in the Foreign and Commonwealth Office, many of whom work in difficult environments. There has had to be a significant increase in expenditure on security for embassies, high commissions and posts around the world. During my time on the Select Committee on Foreign Affairs and when I have visited posts around the world, those people have diligently helped and co-operated with Members from all parties. We ought to pay tribute to them in this debate.

As well as the increase in expenditure on security, one of the problems that the FCO faces is the fact that it pays the international subscriptions to many international organisations on behalf of the United Kingdom as a whole. At a time of fluctuating exchange rates, that places a particular burden on its budget. I hope that the Chancellor of the Exchequer and the Government will recognise that. I have never understood why subscriptions to the United Nations come out of the Foreign Office's budget, yet, from one year to the next, those subscriptions in UK pound terms can vary significantly because they are paid in US dollars. I believe—and I think many Members would agree if they looked at it objectively—that there is a case for having an earmarked discrete UK subscription to international organisations, which should not come out of the budgets of individual Departments.

There has been a wide-ranging debate, but, unfortunately, I have been chairing a Foreign Affairs Committee meeting in which the Foreign Secretary has been talking about the European Council meeting. I was therefore not in the Chamber for most of the debate, apart from the opening speeches. During this century, there will be a significant change in the world's power centres. The centre of economic and political gravity is moving to Asia and the focus of the incoming US President Obama will, I believe, be much more on the Pacific than on the Atlantic. We need to recognise that that will have global consequences.

In his opening remarks, the Foreign Secretary referred to reform of the international institutions and the United Nations. We also need to look at other international organisations, including the World Bank and the International Monetary Fund. We have already seen the inception of the G20, but there will be other consequences over coming decades.

It is increasingly important that we recognise that the values that we espouse, which were set out in the UN system that was developed in the 1940s—today is the anniversary of the UN universal declaration of human rights—are not universally unchallenged. There is a view in some parts of the world that human rights are not something that we should pursue. There will be a debate in Westminster Hall next week in which I shall be able to say more about that, but it is fundamental that we hold true to those universal values and that we continue to work for them throughout the UN system.

In the past year the Foreign Affairs Committee has published "Global Security: Russia", "Global Security: Iran" and "Global Security: Japan and Korea", as well as reports on human rights and—I pay tribute to the Foreign Office's quick response on this one—the overseas territories. The overseas territories did not feature in the opening speeches in this debate, but one of our recommendations was that there should be a commission of inquiry into the allegations of corruption and other problems in the Turks and Caicos Islands. The FCO responded very quickly to our report and recommendations. That commission of inquiry is now in existence and is due to report early next year. That is an example of the Government responding to Select Committees in the manner that they should. When Select Committees make serious recommendations, they should be responded to. I am pleased that in our case the Foreign and Commonwealth Office was quick to respond.

I am conscious of the lack of time, so I want to focus on one final matter. Reference has been made in various contributions to the appalling terrorist acts in Mumbai. Those attacks were not just directed at the Government of India or intended to damage relations between Pakistan and India, but were directed at the British-Indian and British-Pakistani communities and at good community

relations in this country. As we approach the celebration of Eid and the many other cultural events and activities throughout the different communities in this country, including in my constituency, people have an opportunity to renew their commitment to harmonious relations among all the communities, of all faiths and cultures in this country.

We in Britain have an important historic association with India and Pakistan and we have ongoing family, cultural and economic links with that part of the world. It is tragic that the relations between Indians and Pakistanis in the UK should be much better than the contacts between those two countries. Anybody who has been to the Wagah crossing in the Punjab, as the Foreign Affairs Committee did two years ago, and passed from the Indian to the Pakistani side will know how inefficient that border is. It is crazy: people bearing goods take them off their heads on one side, so that they can be transferred to the heads of other people to be carried on the other side. I am talking about an international border.

One of the good things about what President Zardari of Pakistan said just 10 days before the terrorist attacks was that there is a need for economic co-operation between India and Pakistan. That is vital. As well as trying to ensure co-operation in combating terrorism and encouraging the European Union and our own country, we should be encouraging economic and human contacts on a much greater scale between the countries of the India-Pakistan region. Together they have a common interest in combating terrorism and in building human contacts and political development against the extremists.

6.29 pm

Dr. Liam Fox (Woodspring) (Con): Everyone in the House will agree that, when he becomes President, President-elect Obama will find that he has the biggest in-tray since Harry Truman's. He will have to deal with the continued violence of Islamist fundamentalists, the fragility of the situation in Iraq and the worrying position in Afghanistan, as well as the instability in Pakistan and the fear in India and beyond, given the threats that they face. He will find a resurgent Russia, with the complications of the recent events in Georgia, and an Iran on the verge of becoming a nuclear weapons state. All those matters were addressed in today's extremely interesting debate, during excellent contributions from both sides of the House.

I shall begin by discussing Islamist fundamentalism, which we must all accept is the existential threat of our age. There have been different threats in the past, including the fascism of the 1930s and 1940s and the communism of the cold war, and we face an equally grave threat today, which we must take equally seriously. This threat undermines the stability of an increasing number of states and we will have to find the strength to confront it politically, militarily and economically. We have to accept, however much it pains us to do so, that there are those out there who hate us because of who we are and not just because of what we do.

As my hon. Friend the Member for Newark (Patrick Mercer) said, this will be a long struggle, which will require us to find a great deal of moral courage. We will need resolve and resilience from our people and our politicians and we will have to make assets available as necessary. In terms of foreign policy, we will need to receive much more vocal support from moderate Muslim states if we are genuinely to make a difference in this battle. Those who think that they can get away with silence in the face of the fundamentalist threat need to remember that if we feed terror, it simply gets more hungry.

As something of a counterbalance, however, we must also accept—and point out at every possible opportunity—that Islam and Islamism are not synonymous, even though that is what the extremists want us to believe as they prosecute the conflict according to their criteria and on their terms. I had the privilege at the weekend of meeting and listening to the historian Bernard Lewis. He made an interesting point when he said that Nazism was undoubtedly German, but there was a Germany before Nazism, a Germany outside Nazism and, triumphantly, a Germany after Nazism. We have to start building bridges to moderate Islam, to get it to recognise that there is another way and that there has to be a potential for well-being, stability, security and prosperity if we are to deal with the threat within society at present.

There will always be new challenges. My hon. Friend the Member for North Dorset (Mr. Walter) talked about Somalia. It has been pointed out recently that only 0.14 per cent. of all shipping in the Gulf of Aden is subjected to piracy, but the point is that it is not the threat that we face now that we need to deal with, but the threat that we might face in the future if we show inaction. Piracy is turning out to be a very nicely lucrative business. If we consider the combination of the profits made through piracy and what is now happening in a country such as Somalia, which is utterly lawless, we can imagine all the prospective benefits for organisations such as al-Qaeda and related groups. The mistakes that we made after the defeat of Russia in Afghanistan are all too clear. We did not invest in the long-term security and stability of the state, and the lack of adequate institutions made it all the easier for it to become a breeding ground for extremism and terror. We must not allow that to happen in Somalia or any other states today.

My hon. Friend the Member for Newark also mentioned what had happened in Mumbai. I am always loth to use the term "al-Qaeda", because there is a danger of its becoming a brand, but the events in Mumbai, which included the targeting of US citizens, British citizens and Jewish citizens, certainly bear all the hallmarks of those who are sympathetic to the aims of al-Qaeda. No state can disengage from this, because no state is currently safe.

My hon. Friend was right to point to our domestic, maritime and airborne security fragilities, but there is an element in the broader debate to which we must always be sensitive—the need to find ways of diminishing the forces that strengthen radicalism at home or abroad. That is the key to our long-term success. When we boil it down, we find that people who have nothing have nothing to lose, and people who have nothing to lose are much more willing to gamble with it. When we give people security and prosperity, we get some leverage for the first time and deny a recruiting ground to the men of terror. When we are discussing Afghanistan and other

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areas, it is important to remember that economics play a very important part in long-term stability and the defeat of terrorism.

A number of contributions dealt with Zimbabwe and the soul-searching about what we should do there. Should we impose sanctions? They might strike a fatal blow to the regime, but at what cost to the rest of the citizens? It was an interesting debate and the Foreign Secretary and my right hon. Friend the shadow Foreign Secretary pointed out that the arguments were quite well balanced, but these arguments are true in any conflict. They were true in Iraq.

As several Members pointed out and as I have experienced myself, it is now possible to go to Basra without body armour. It is possible to be caught in a traffic jam, as I was, because of the number of people going shopping, showing that they have suddenly forgotten about security as the No. 1 issue and can take part in and appreciate the things that we so often take for granted. Those freedoms never come at zero cost: there is a price—sometimes a terrible price—that has to be paid for the end of tyranny and despotism and for people to be able to live in freedom and shape their own destinies.

A key question about what happened in Iraq is why the surge was successful. There has been a lot of discussion, but perhaps not very much analysis, about that. The fact about the surge that is often overlooked is that it was not done just to put boots on the ground; it was done in specific support of a specific political objective. It took place to provide support at a time when the policy was to separate the reconcilables and the irreconcilables, the Sunni community and al-Qaeda. The US surge and associated increase in numbers allowed troops to move out of their large forward operating bases to secure the people where they lived, in their own communities. Many were embedded with small units of the Iraqi army and were able to hold on to areas once they were cleared. Ultimately, that provided Prime Minister Maliki and his Government with sufficient confidence and feelings of strength to take on the Shi'a militias that had held up so much for so long.

We will be able to leave Iraq in a much more stable state when, as we understand from the press, we start to depart from the end of March next year. I hope that the Secretary of State for Defence will, for the sake of clarity, confirm this evening that we are to start to leave at the end of March and will be out by June. We should hold our heads high about the contribution of the UK and our armed forces to what is ultimately a much more stable situation in that country.

Many people have said that what we need now is a surge in Afghanistan, as though we can read across directly from one situation to the other. However, for a start, Iraq was about reconstruction, while Afghanistan is about construction. There was a large middle class in Iraq, but there is no middle class to provide a degree of stability in Afghanistan.

As my right hon. Friend the shadow Foreign Secretary said today, Conservative Members' support for the Government's policies for Afghanistan has been acknowledged by Ministers on a number of occasions. However, I echo what he said earlier—that any requests for more UK troops must take into account the overstretch in our forces and the disproportionate contribution we are already making, especially in southern Afghanistan. If more troops are to be deployed there, it must be in support of a specific political process and we must have a proportionate increase in our assets to match our increase in the number of troops. Real pressure must be placed on the Afghan Government not to block in any way what the international community is trying to achieve, and we must have a greater effort by NATO allies in burden sharing in Afghanistan.

As my right hon. and learned Friend the Member for Devizes (Mr. Ancram) and the hon. Member for Halton (Derek Twigg) said today, we need clarity in the strategies that we pursue because at the moment it is hard to know how we will know when we have been successful. It is hard to know what the benchmarks are to tell us when we are getting things right, when we are failing to make real progress and what our exit strategy should be. As we said in our last defence debate, when we talk about strategy in Afghanistan, the question is which strategy—the UN strategy, the NATO strategy, the Afghan Government strategy, the American strategy or the reconstruction strategy? They are not all tied together in a coherent format.

We know that some things are going much better than others. The Afghan national army is doing relatively well. We are making good progress and the British armed forces have done a great deal to encourage that. However, as the Foreign Secretary said, the same cannot be said of the police force in Afghanistan. We need to ask why not. Why is it that some things have made better progress than others? Where does the blame lie and, far more important, how can we put it right? As my hon. Friend the Member for North-East Milton Keynes (Mr. Lancaster) said, we have to ensure that we have the right equipment at all times to give support to our forces. I am sure that the whole House will look forward to the publication of the report that he discussed.

The subject of Iran was raised a number of times. The primary question for the international community is whether it finds the prospect of a nuclear-armed Iran acceptable. We have set out three reasons why we believe that the prospect is unacceptable. The first is the nature of the regime and its leadership, not least its threat to Israel's very existence. The second is Iran's record in exporting terror to other parts of the region. Adding fissile material to that situation would be utterly irresponsible. The third is that if Iran becomes a nuclear weapons state, others in the region will want to join the nuclear club. I was recently in Turkey, where it was made clear to me that if Iran becomes a nuclear weapons state, so will Turkey, and so will Saudi Arabia and Egypt. Do we really want a new nuclear arms race in the world's most unstable region?

If we are to influence Iran's behaviour, we must have international solidarity on matters such as sanctions. We will require the co-operation of countries such as Russia, yet Prime Minister Putin was recently reported as saying that Russia is aware of what Europe is still doing in Iran and that it will not hand over this valuable market to Europe. As my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) said, President-elect Obama would be in a much stronger position if there was international unity, yet Europe is failing to show resolution where it matters. As he said, there is no ban yet on European investment in Iranian oil and gas fields

and no ban on Europe-wide export credit guarantees, which subsidise trade with Iran. If we want security, we cannot say one thing and do another.

My right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) made a passionate speech about the need for multilateral disarmament. It is fair to say that with bipartisan support, the United Kingdom's approach is within the spirit and the letter of the non-proliferation treaty because our new nuclear deterrent will be at a lower warhead level than is currently the case. We are making our contribution; others must do the same. However, his speech echoed other contributions about the need for a new framework for non-proliferation. We will be in a world where more countries will want access to civil nuclear power. At the very least, we will need to be able to control the fuel cycle, with new structures and safeguards, if that is not to become a new proliferation problem.

A number of hon. Members talked about the relationship between the EU and NATO. NATO remains the cornerstone of our security. There can be a role for the EU in defence, but it must be as a delivery mechanism within NATO policy, not in conflict with NATO. It should do things that NATO cannot or will not do—elements of nation-building, and peacekeeping that is complementary to NATO's actions, not in competition with them—and have additional resources, rather than diverting scarce resources. Far too few members of NATO pay what they are supposed to in terms of their share of GDP. In fact, if all NATO members paid 2 per cent. of their GDP, we would have $67 billion extra for NATO defence spending every year. That is a considerable sum.

We heard about piracy. Why is it that some hon. Members—a couple of my hon. Friends alluded to this—chose not to reinforce the Combined Task Force 150 mission or the NATO mission and chose to fly the EU flag instead? It smacks of politics first and piracy second.

Of course, everything depends on the capability of our armed forces. We are still operating on 1998 defence planning assumptions. We need a strategic defence review. The Ministry of Defence still has a mismatch between commitments and resources. We are now told that there will be further cuts or delays to programmes, but on what basis? Against what strategic analysis? The suspicion is that the present Government have not the will to fund fully what the Government themselves, in the strategic defence review, said was necessary for our national security. As my hon. Friend the Member for Newbury (Mr. Benyon) pointed out, there is a danger that the use of urgent operational requirements will destabilise the procurement budget. We must defend our defence exports, because that is how we can protect British defence jobs in the long term.

Let me end with a tribute to our armed forces, their families and the civilians who contribute to our country's safety. Whether Members visit Iraq, the Gulf or Afghanistan, they will observe that our soldiers, sailors, airmen and marines—all the men and women in our armed forces—show courage, dedication and professionalism. Those men and women have a right to expect the Government of the day, of whatever colour, to maximise the success of a mission, and to do all that they can to minimise the risk to them. If they are injured, they will be looked after properly; if they are killed, their families will be looked after properly; and if they leave the armed forces, they will be valued as veterans who have made sacrifices for the country. That is the covenant. It is the ultimate underpinning of our security in this country, and if it is broken, all of us will be the losers.

6.45 pm

The Secretary of State for Defence (Mr. John Hutton): Let me begin by picking up the theme and the tone of the final comments of the hon. Member for Woodspring (Dr. Fox), which I thought were excellent. I am afraid it is true that there are many things in the House that divide us, but I hope there is one thing that should always unite us: the respect and admiration that we should demonstrate for those who serve in Her Majesty's armed forces.

As the hon. Gentleman will know, the Government have set out a comprehensive range of measures that will go a significant way towards ensuring that the military covenant he described is honoured and fully respected. The 40 separate recommendations set out in the summer by my predecessor, my right hon. Friend the Member for Kilmarnock and Loudoun (Des Browne), represent a significant improvement in the range of support and help that we provide both for those who are currently serving and for those who have left the service of the Queen. I agree entirely with what the hon. Gentleman said: I think it incumbent on us to attach the highest priority to that.

It is a privilege to respond to what I think has been an excellent debate, featuring outstanding contributions from Members on both sides of the House. During the 13 minutes available to me, I shall do my best to deal with all the issues that have been raised.

On defence policy, Members on both sides of the House raised the issues of nuclear proliferation and current operations in Iraq and Afghanistan. The subject of defence procurement arose several times, and the hon. Member for Newark (Patrick Mercer)—who, sadly, is not present now—raised some important questions relating to civil contingency planning. I intend to deal with all those comments. On foreign policy, Members raised the issues of Georgia and Ukraine, Zimbabwe, the role of the European Union in security and defence policy and the wider issues of terrorism, Iran and the middle east.

I now have 12 minutes in which to deal with all those points. Let me begin with the excellent speech made by my hon. Friend the Member for Pontypridd (Dr. Howells) at the beginning of the debate. He offered us the benefit of his extensive experience in the Foreign Office, and contributed rich insights to the debate on Afghanistan. The hon. Member for Woodspring queried our strategy in Afghanistan, but I believe that we have the right strategy. I believe that we have a genuinely comprehensive framework of policy which covers security issues and the political, social and economic development agenda.

As has been widely observed both in the House and outside, we have never argued that the only solution to the enormous problems of Afghanistan lies in the hands or the gift of the military alone. That is palpably not true. My personal view—and the strong view of the Government—is that if we desire, as we all do, to make progress in other areas, we must act according to what we know both instinctively and on the basis of precedent and evidence. If we are to sustain a sensible solution to

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the risk of terrorism, we must develop stable and secure democratic institutions and effective governance. We must deal with the corrosive effect of corruption and crime, and we must be able to develop the instruments, policy and tools that will help us to sustain the progress that we have made. That is what we are trying to do in Afghanistan; but if we are criticised for our lack of progress, I know that we can all agree that we would like to do more in all those areas.

However, the essential precondition for success in Afghanistan is that there be improvements in security. That is a fundamental issue, because everything else depends on it. That is not to say that we should not do everything we can to develop reconciliation approaches; we should do so. That is in my view an Afghan lead—the Afghan Government must be able to take the initiative in that. We have to be able to guarantee greater security in every part of Afghanistan, not only in Helmand and the south, but in the east, north and west as well. There is more progress to be made in all those areas, but my hon. Friend the Member for Pontypridd was right to address the subject in the way he did.

The issue of nuclear proliferation was raised by several Members, including the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind) and my hon. Friend the Member for Islington, North (Jeremy Corbyn), and, towards the end of his remarks, by the hon. Member for Kingston and Surbiton (Mr. Davey). It is true that with the non-proliferation treaty review conference coming up in 2010 we have an opportunity to make some headway and progress. We have proposed initiatives covering the treaty's three main pillars: non-proliferation, disarmament and the peaceful use of nuclear energy. The Government are doing all they can to support a successful outcome to the NPT review, and it is important that we make progress, but I strongly agreed with the right hon. and learned Member for Kensington and Chelsea when he described nuclear disarmament as essentially a multilateral process; it must be so.

I took issue—as I have often done—with my hon. Friend the Member for Islington, North in his approach to these matters. I also take issue with what he said about the nuclear White Paper. He said that we were planning an expansion of the Trident fleet. As he knows, that is not the Government's policy. We are taking the necessary measures now to prepare for the need for an eventual replacement of the current Vanguard class, but we are doing so on a prudent basis and it remains a minimum nuclear deterrent.

The hon. Member for Kingston and Surbiton got it wrong, too. He described our decision to replace the nuclear deterrent as premature. That is fundamentally wrong. We set out in the nuclear White Paper a clear time scale for the replacement and the reasons why it is necessary. If he does not agree with the time scale, which represents the best advice we have received from the military, he and his party are countenancing something that should not be countenanced: a gap in the deterrence capability of the UK.

Jeremy Corbyn: Will the Secretary of State take this opportunity to assure the House that no work is going on in the replacement of nuclear warheads or the development of new nuclear warheads at Aldermaston or any other defence establishment?

Mr. Hutton: I can give that assurance. I thought I recently answered a parliamentary question on that from my hon. Friend. We made it clear in the nuclear White Paper that we will come back to this House to have a vote on that if and when the need arises.

I have only eight minutes left now, so I am running out of time as I still have 78 issues to respond to. Let me end my comments on nuclear proliferation with the following remarks. The right hon. and learned Member for Kensington and Chelsea has had responsibility for this policy, and I have a great deal of respect for his judgment on these matters. He will know that when Ministers need to make decisions about nuclear deterrence, they are not thinking about the next two, three or five years, but have to take into account the next 40 or 50 years. That is the lifetime of the weapons system that we are designing and, as Members will know when they look at the detail of the White Paper, the new fleet will begin to come into service from about 2024 onwards. We are therefore thinking about a time frame that covers up to the middle of this century. Of course, we would all welcome a world free of nuclear weapons, because that is the sane and, it is to be hoped, it will be the happy outcome of all these discussions, but we must defend ourselves. We must take a reasonable judgment against risk. We know perfectly clearly that others are rearming as well, and the Government are not prepared to deny future generations the benefit and security that current generations have enjoyed from the nuclear deterrent.

My hon. Friend the Member for Halton (Derek Twigg) made an excellent speech, and I want to pay tribute to him for the work he did in the Ministry of Defence and also to remind him of the very high regard in which he is held. He made the case that we have made significant improvements in relation to equipment. That is true and it needs to be put on the record. Members who have been to Afghanistan and Iraq will have heard first hand from troops on the ground that they have never felt better equipped and that they feel they have the right kit with which to do the difficult and dangerous job we ask them to do.

A great deal more work needs to be done on procurement, and the hon. Member for Newbury (Mr. Benyon) raised a number of interesting issues in that context. Tomorrow, we shall set out some ways in which we intend to improve value for money in defence procurement and so on. Although I accept that more work needs to be done in that area, we must ensure that a balanced range of kit is available to our armed forces. It must allow them to deal not just with what is likely to be the most realistic threat—disputes not between states but within states, given that there are failing states and given the rise of terrorism—because we will also still have to plan, prepare and equip our forces for a different range of missions that could include, heaven forbid, more traditional forms of inter-state warfare. That is a difficult balance to get right. Every Secretary of State in every country in the world wrestles with these issues, but it is right that we try to strike the right balance on all these arguments.

My hon. Friend the Member for Vauxhall (Kate Hoey) raised the situation in Zimbabwe, and I praise the work that she has done in all the areas that that involves. We are all seriously concerned about the deepening humanitarian crisis in that country. My right hon. Friend the Foreign Secretary and others are working to

help contain the cholera outbreak, and we will continue to do all we can to address the basic needs of Zimbabwe's very long-suffering people. The dire situation is clearly the result of a chronic and wilful failure of social, economic and political will, and we continue to engage states in the region. We welcome the contribution of those, such as Kenya and Botswana, that have been willing to speak out against the atrocities that the Mugabe regime is inflicting on its own people.

The hon. Member for North Dorset (Mr. Walter) raised the interesting question of the relationship between the European Union and the European security and defence policy, and I very much welcome what he had to say. I am not sure that the hon. Member for Woodspring (Dr. Fox) would have been with him on everything that he said about the ESDP. I have said before—I stand by these remarks—that we should take a positive and pragmatic view of the ESDP. That is very much what is enshrined in the St. Malo agreements.

Both hon. Members raised a specific question about the need for the various anti-piracy missions off Somalia. It might be helpful if I were to tell them that the Combined Task Force 150 mission, to which several hon. Members referred, is primarily a counter-terrorism mission and it flies its flag under the banner of Operation Enduring Freedom. As they will know, that means that some member states in NATO will not take part in it. The NATO mission itself, to which both hon. Members referred, is due to end this month, and its focus is very much on providing escorts for the World Food Programme ships. The ESDP mission is not a duplication; it is a necessary addition and complementary to the missions that are dealing with this growing threat. Those who want to sniff at the ESDP mission display less of an appreciation of the reality on the ground and more of a traditional form of animosity to anything that flies the European Union banner. I think that that is a serious error and we should not participate in making it.

My hon. Friend the Member for Preston (Mr. Hendrick) made a number of thoughtful comments on Africa and the role of the European Union in the continent. I suspect that his points are more for my right hon. Friend the Foreign Secretary to develop and pick up in future debates.

The hon. Member for Newark spoke about the terrorist atrocity in Mumbai and asked about contingency planning in the United Kingdom. We plan for a range of possible threats, and I know that hon. Members will not want me to go into the detail of all of that. I can say to the hon. Gentleman and others that we have specifically developed plans to protect the UK's vital national infrastructure, and I believe those plans to be in a very good state. It is obviously the case, too, that any such counter-terrorism measures need to be based first and foremost on a strong intelligence-led approach, and that is how we always try to proceed.

My hon. Friend the Member for Denton and Reddish (Andrew Gwynne) emphasised the importance of progress towards a long-term peace agreement in the middle east, and I think we can all agree with him on that.

I think that I have referred to most of the comments made by the hon. Member for Newbury, who, I know, served in the Royal Green Jackets. That very fine regiment is now part of The Rifles and we all celebrate their role today. I think he is wrong about the Defence Export Services Organisation; I think it would be a waste of time and money to rearrange the deckchairs yet again. If he were to talk to industry, he would find that it is very supportive of the way in which the organisation is working. The combined mission of my right hon. Friend the Business Secretary and me is to ensure that people in industry would not feel the difference in relation to this change of structure and organisation. Defence exports had their best ever year last year and they sustain hundreds of thousands of jobs right across the country; it is my strong desire to ensure that they do so.

The hon. Member for North-East Milton Keynes (Mr. Lancaster) raised his concerns about the deployment of the Tornado in Operation Telic. I know that he has tabled a very large number of questions—

7 pm

The debate stood adjourned (Standing Order No. 9(3)).

Ordered, That the debate be resumed tomorrow.

Dr. Fox: On a point of order, Madam Deputy Speaker. I appreciate that the Secretary of State was short of time tonight, but in his response he indicated that the Government would make several announcements tomorrow about the procurement programme. May I suggest that, given we were not able to discuss those tonight, an oral statement would be in order tomorrow?

Madam Deputy Speaker (Sylvia Heal): The hon. Gentleman's point is now on the record. The occupants of the Treasury Bench have heard it, and we will have to wait and see. It is not a point of order for the Chair.

Business without Debate

Business of the House (Consolidated Fund Bill)

Motion made,

That, at the sitting on Tuesday 16 December, any Consolidated Fund Bill ordered to be brought in and read the first time shall be proceeded with as if its Second Reading stood as an Order of the Day, and Standing Order No. 56 (Consolidated Fund Bills) shall apply.—(*Mark Tami.*)

Hon. Members: Object.

PETITIONS

Flooding (Northamptonshire)

7.1 pm

Mr. Peter Bone (Wellingborough) (Con): I have two petitions to present this evening. The first arises from concern in the village of Isham about flooding. An argument is taking place involving the local council, the county council and Anglian Water about whose responsibility it is.

The petition states:

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled.

The Humble Petition of residents of Isham in the Wellingborough constituency and the surrounding area,

Sheweth that the village of Isham has seriously flooded three times in the last five years. Previous to this there had been no problems with flooding. Developments of additional housing in the last few years have put pressure on the already strained and ill repaired sewerage and draining systems. The three recent floods have affected several areas of the village, bringing with it immense problems for the homes affected including the leakage of raw sewage. The main trunk road from Wellingborough to Kettering, the A509 also flooded and had to be temporarily closed.

Wherefore your Petitioners pray that your Honourable House urges the Secretary of State for Communities and Local Government to liaise with the Parish Council of Isham, the Borough Council of Wellingborough, Northamptonshire County Council and Anglian Water to find a solution to the problem of local flooding and to properly maintain the local sewerage system.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000296]

Planning and Development (Northamptonshire)

7.3 pm

Mr. Bone: The second petition arises from a large public meeting about the overdevelopment of land north of Wellingborough, where it is proposed to build thousands of new homes.

The petition states:

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled.

The Humble Petition of residents of Redhill Grange in the Wellingborough constituency and the surrounding area,

Sheweth that major concern is expressed about the overdevelopment of Wellingborough and in particular, the development north of Wellingborough towards the constituency of Kettering, and concern over the lack of sufficient green space around existing rural developments and villages.

Wherefore your Petitioners pray that your Honourable House urges the Secretary of State for Communities and Local Government to liaise with the Borough Council of Wellingborough and Northamptonshire County Council to find a solution to the overdevelopment.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000295]

Rivers Hull and Humber (Flood Risk)

Motion made, and Question proposed, That this House do now adjourn.—*(Mark Tami.)*

7.4 pm

Mr. Graham Stuart (Beverley and Holderness) (Con): I have been applying for this debate since the House returned from the summer recess and I am delighted finally to have secured it. The River Humber and River Hull flood risk management strategies have caused alarm throughout the east riding and I am grateful to be able to put local residents' concerns before the House tonight.

My speech is split into two parts. First, I want to talk about the River Humber. The Humber estuary is one of the largest tidal estuaries in the country. It is formed at Trent Falls by the confluence of the River Ouse and the River Trent. From that point until the North sea, the river runs between Hull and the east riding of Yorkshire on the north bank and north Lincolnshire on the south bank. What makes the river such a problem from a flood defence point of view is the low-lying nature of the surrounding land. Much of the city of Hull is immensely low lying, with more than 90 per cent. of its surface area below high-tide level.

The principal defences enjoyed by Hull and the east riding are in the form of man-made river banks, some of which, as the Environment Agency has pointed out, are not in the greatest state of repair. As a result, according to the strategy, some 90,000 hectares of land around the Humber are at risk of being flooded if there is a serious storm surge.

The Environment Agency has looked into how it can effectively maintain and improve the defences around the Humber. In September 2000, it published the Humber estuary shoreline management plan, which aimed to develop a coherent, co-ordinated approach to managing the defences for the next 100 years. The plan indicated that a major programme of improvement would be needed to deal with the effects of rising sea levels and to ensure that a proper level of protection was maintained for that period. It stated that in some areas defences would need to be realigned in order to counter the impact of the sea level rises.

In 2005, the "Planning for the Rising Tides" document was published and in March 2007 funding for the first 25 years of work, estimated at about £323 million, was approved by the Government. That formed the basis for the Humber flood risk management strategy that was published at the beginning of this year. In the strategy, the Environment Agency boasts that 99 per cent. of people living around the estuary will continue to receive a good standard of protection from tidal flooding. That means that the defences surrounding their homes and businesses will be maintained.

Most of those defended, of course, are in the densely populated towns and cities, but a huge section of land on either side of the river will be left without defence. Some 11,500 hectares—more than 28,000 acres—in the east riding of Yorkshire alone will be abandoned. More than 2,000 homes around the estuary will be abandoned, including 1,000 in the east riding. A large number of those homes are in the South West and South East Holderness wards of my constituency. According to the Environment Agency, 668 properties will be lost in the Sunk Island area, 62 will go in the village of Kilnsea and 10 will go in the village of Skeffling. The precise nature of that abandonment has been set out in the strategy. When the Environment Agency has decided that it cannot afford to fund improvement work to a defence, it will simply stop maintaining it.

Mr. Greg Knight (East Yorkshire) (Con): Does my hon. Friend agree that the strategy of leaving some houses to flood is totally unacceptable? Does he also agree that the Government should have seen this coming? Is he aware that eight years ago the Institution of Civil Engineers said that Government planning on flood defences was piecemeal and inadequate and that the budget should be doubled?

Mr. Graham Stuart: My right hon. Friend is absolutely right. He reflects the anger and concern of local people, who cannot believe that the Government can suggest the abandonment of so many homes and so much productive land for so little cost in terms of defence. I obviously aim to expand on that issue.

When defence is not maintained, unless home owners are both allowed and able to create secondary defences of their own it will become impossible for them to continue to live or work in the vicinity. Families and communities will be forced to abandon their homes and businesses.

The response from the local community to the strategy has been almost entirely negative I am grateful to my right hon. Friend the Member for East Yorkshire (Mr. Knight) and other neighbouring MPs, who have joined local councillors, the National Farmers Union, the East Riding of Yorkshire council and local residents' groups in opposing the Government's strategy. The East Riding of Yorkshire council said at a cabinet meeting in August that it "strongly objected" to the implications of the strategy due to the loss of land and property, and to the

"threat to the supply of much needed crops in the East Riding".

I pay tribute to councillors Jonathan Owen and Jane Evison for the way they have taken the lead in this matter and expressed the concerns of local residents. I chaired a public meeting at the end of last month to discuss the strategy, and more than 100 people turned up to hear from the Environment Agency and to discuss the implications for their properties and businesses.

I turn now to the way that funding for flooding is allocated. Although a householder who needs work done on his house might make a basic assessment of what has to be done and then work out from there how much he is going to spend, that is not how flood defence is managed in this country. Instead, the Government have plucked a number out of the air: after last year's floods, they came up with the nice round figure of £800 million to be spent on flood defences in 2010-11.

The figure is not based on evidence or related to need, but it is fed in at the top of the complex system of apportionment that the Government, through the Environment Agency, have created. Funnily enough, when one gets past the areas that are urban, highly populated and most often represented by Labour MPs, one finds that there is not enough money left to cover the rural areas. That is why we have the problems that we face today.

[Mr. Graham Stuart]

One of my appeals to the Minister is that he look at the system again in a fundamental way. Would it not make more sense for the Government to produce a rational, sensible and proportionate cost-benefit ratio that could then be applied across the country to defend existing homes and businesses? That would be better than putting a artificial sum through an artificial apportionment process, and then finding that the entire way of life in rural areas and communities was destroyed as a result.

To secure funding for a project, the Environment Agency must apply to the Department for Environment, Food and Rural Affairs. That is what it did in May 2006, following the publication of the document "Planning for the Rising Tides". The agency was given approval in principle for flood defence work around the Humber worth £323 million over the next 25 years. That has been much trumpeted, and I have heard Ministers state that they have approved funding worth £323 million in the area—except that is not what will be spent, because it turns out that the approval is only "in principle". For a project to be funded, it must meet a specific points score assessment, and the Environment Agency has said that £43 million of the total about which the Government have boasted will not gain approval. The fact that that £43 million will not be spent is the reason why, over 25 years, 1,000 homes in the east riding of Yorkshire and many thousand acres of land will be abandoned.

The priority scoring system is immensely complex. People whose homes and land are threatened can be forgiven for struggling to understand it, and I should be interested to hear whether the Minister feels that he understands it fully. I have read the various briefings from DEFRA and spoken to the Environment Agency on a number of occasions, and I confess that I still struggle to work out properly and truly how the system works.

In simple terms, however, the maximum score that a project can get is 40 points, and to qualify for funding it must gain at least 26. One of the main problems is that the system has a rather artificial way of valuing the components when the score is allocated. For instance—and as my right hon. Friend the Member for East Yorkshire will be fully aware—the system removes from the market value of agricultural land the notional amount created by farm subsidies. Although the Prime Minister has been known to trumpet his interest in food security, the points system that I am describing artificially depresses the market value of farm land and thus leads to a low points score for rural areas.

Soon after the Humber strategy was published earlier this year, I spoke to the local flood manager from the Environment Agency, Philip Winn, to try to get to the bottom of the numbers and understand what was really going on. We are talking about 28,000 acres in the east riding of Yorkshire. I asked a local valuer what the average land value was at the time, and he said, "About £6,500 an acre." I used my rudimentary mathematics to put the two together, and worked out that we are talking about £180 million-worth of land. There are some 1,000 homes concerned, with an average value of about £150,000; it appears to me that that comes to a value of about £150 million. If we put the two together, we see that we are talking about assets of more than £300 million, at today's value—and that is just for the east riding section covered in the Humber strategy.

When I asked Mr. Winn how much of the £43 million that the Government were not going to spend could be attributable to the east riding properties concerned, he agreed that it would be about £30 million. The Government are saying that they will not spend £30 million over 25 years—about £1.2 million a year—to defend £330 million-worth of homes and properties. That is looking at the matter purely as an accountant would, and ignores entirely the rightful expectation of communities and families that the Government will be on their side, and will be prepared to look after them. It makes no sense economically, socially or environmentally to abandon those lands. I hope that the Minister responds on that simple level, and does not blind us with science—something that the Environment Agency is normally rather adept at doing.

I want to consider Sunk Island, and perhaps bring the numbers to life. More than 600 homes are due to be abandoned on Sunk Island. Under the system, however, its total priority score was just 17.2—well short of the 26 points required for funding. That was due mostly to its poor economic score, which is calculated by dividing what is known as the present value benefit by the present value cost; one then arrives at the benefit-cost ratio. "PV benefit" refers to the amount of money that it would cost to rebuild flood-hit homes. "PV cost" refers to the amount of money that it would cost, over 100 years, to maintain the flood defences. For Sunk Island, the total PV benefit was £59,151,000, and the total PV cost was £10,642,000. That left a benefit-cost ratio of 5.56. Owing to the complex scoring system, that corresponded to a final economic score of 10.12.

However, the total value of land and property on Sunk Island is much greater than £59 million. According to the Environment Agency, there are 6,812 acres of land in the Sunk Island area. That land is among the most productive farm land not only in the UK and Europe but the whole world. If the average acre is worth £6,500 and we multiply the figures, we get a total of £44,278,000. In addition, there are 685 properties on Sunk Island that are due to lose flood protection. If we give a value of £150,000 a property, we arrive at a figure of more than £100 million. If we add the two amounts together, the total PV benefit is £147 million. That provides a benefit-cost ratio of 13.8 and a final economic score of 20.

I hope that the Minister can tell the communities that I represent why there is such a discrepancy between their understanding of the value of their homes, and the land on which they live, and the notional numbers that the Environment Agency uses. I do not necessarily expect the Minister to be able to provide every answer this evening, but I would be grateful if he could provide me with figures for every single area in my constituency that has received or been refused funding. I am convinced that the system artificially depresses the value of land, and I would be grateful if the Minister could put my mind at rest, and show that that is not the case.

Mr. Greg Knight: The Minister ought to come and visit.

Mr. Stuart: He should, it is true. My right hon. Friend is absolutely right. I invite the Minister to visit the east riding so that he can hear from local communities and get some understanding of their worries and concerns.

The Environment Agency has commissioned further studies of the area's flood defences and is due to publish the results in spring next year. I know from speaking to Mr. Winn that the agency will look again at the issue of Sunk Island, which I have pressed hard, as have local residents. I am also told that the priority scoring system may be changed in the future. Perhaps the Minister can tell us this evening how that will work. I hope it will be to the betterment of the rural communities that I represent.

I return to the topic of food security. If the warm words are to mean anything, surely we should ensure that agricultural land is given a higher economic value in the points apportioning process than, for example, a garage. At present, the opposite is the case. If the Government's approach to food security is meaningful, they will review the formula and ensure that it better reflects the importance of productive farmland to the UK.

Another issue that has come up time and again is compensation. Many people who bought their properties five, 10 or 15 years ago and who now face the prospect of having to abandon them, did so when the official Government policy was to hold the line and defend the coastline. Are those people not entitled to some form of compensation? The former Minister of State, Department for Environment, Food and Rural Affairs, now the Minister for Borders and Immigration, the hon. Member for Oldham, East and Saddleworth (Mr. Woolas), said in September that it was "morally right" to help victims of tidal flooding when the damage was linked to climate change. He said:

> "If people have bought a house and the situation has changed, then clearly it is morally right that they should be helped."

Does the Minister agree with that statement? Perhaps he will tell us this evening.

I shall speak now about the River Hull flood risk management strategy. The agency has been working on the strategy for a number of years. It has concluded that in the upper level of the River Hull catchment, it can no longer justify the existing defences. It wants to cease to provide the pumping stations which for many years have provided security and protection to my constituents and those of my right hon. Friend. There is enormous concern among local people about the threat to homes and land. We all recognise that urban areas must take priority over rural areas, but we want decent protection for all. After the Minister has visited my constituency, he might want to visit Holland, where even the most sparsely populated rural areas have a standard of protection higher than that currently afforded by the Labour Government in this country to central London.

The Environment Agency has yet to publish a full draft strategy and has no plans to do so until summer 2009. Three weeks ago, however, the East Riding of Yorkshire council arranged a drop-in meeting to discuss the strategy at Beeford. More than 300 concerned residents turned up and expressed their grave concern about the fact that for the estimated cost of £16 million over a long period, the Environment Agency said that it was no longer worth the candle and not worth defending those people and their homes. Can the Minister confirm that he supports that strategy? Will he tell the hundreds of people who turned up at Beeford that their interests and concerns are to be ignored by a Government quango in the form of the Environment Agency?

With reference to the middle catchment area, can the Minister tell us how many properties he thinks will be saved as a result of the creation of a flood storage area, which threatens so many homes and so much land in the area? How does the cost of that facility compare with the cost of maintaining flood defences? At the public meeting, the Environment Agency was criticised for using flood maps which, according to local residents, did not truly reflect the situation on the ground. Many of those people had been flooded last summer, so they were hardly ignorant of the threats to them.

In closing, I ask the Minister to ensure that the River Hull and the River Humber strategies work on a common basis and are better joined together. If the Government insist on the policy of abandonment, what will they do to ensure that local communities can better defend themselves? How will they be able to work together to do so? Will he also address the issue of the Environment Agency, which comes in from afar and seems to find it rather an irritation to have to deal with local people and listen to local concerns? Does he plan any changes to the governance of the agency to ensure that local people, the voices of rural England so often forgotten, can be heard by large Government bureaucracies that make life-changing decisions which undermine the very way of life of the people whom I represent?

7.24 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I congratulate the hon. Member for Beverley and Holderness (Mr. Stuart) on securing this important debate. The issue of flood and coastal erosion risk management is vital, not least for constituents, including the hon. Gentleman's, in areas at most risk from flooding, who have experienced first hand the consequences of flood events and coastal erosion. We are aware that the hon. Gentleman's constituency has had experience of such erosion, flooding from rivers and sea and surface water drainage, and I am grateful that he has raised those issues today.

The Government place great importance on those issues. In fact, we have increased investment in flood risk management to £650 million this year. We have more than doubled the investment levels of the late 1990s to a record £2.1 billion, which will be invested over the current three-year spending period. In representing his constituents, the hon. Gentleman assiduously put forward the case for further extending defences—that, of course, is not for ministerial decision here today—and outlined the costs that would come with that. The same points could be replicated with reference to many parts of the coast, in the north, south, east and west. I emphasise again that we have doubled investment since the late 1990s. For reasons that I will come to, I doubt whether the hon. Gentleman's Front-Bench colleagues will join him and say that they would increase the funding even further and guarantee the homes, businesses and agricultural land of every constituent in every constituency throughout the whole country.

The issue is not just about big numbers, but let me turn to why not all areas can be defended. As the hon. Gentleman will recognise, there is a great diversity of

[Huw Irranca-Davies]

coastal types in this country. There is no one uniform approach to coastal defence. He will know that coastlines recede or advance with changes in current, wind and tide. Even in the face of his aspirations for his constituents, I tell the hon. Gentleman that it would be unrealistic to expect the coastline to be maintained in all places as it is today. The Government response to the pressure cannot be to commit to building ever-higher and stronger defences in every place. Instead, the operating authorities must look at the range of options and avoid burdening future generations with the cost of maintaining unsustainable defences. We have to develop responses appropriate to the area at risk, and, whenever possible, achieve sustainability by working with, rather than against, coastal processes.

Furthermore, the Government and lead authorities have the responsibility to ensure that the investment of taxpayers' money is justified by the benefits; if the hon. Gentleman's Front-Bench colleagues were in government, they would face the same challenge. Let me point out that the policy is not new—far from it; it was recognised in the Government strategy of 1993.

The issue is not only about big numbers and investment. As the hon. Gentleman rightly said, it is also about the lives, livelihoods and well-being of real people who face the threat of flooding and coastal erosion. It is right that with the investment programme we have significantly reduced flood risk to more than 125,000 houses in the past three years. However, there is more to do. In the next two years, we aim to offer an improved standard of protection against flooding or coastal erosion risk for 145,000 more homes, including 45,000 of those most at risk. As we have seen in the past three years, we are making solid progress, but we also know that there is more to do. We cannot rest on our laurels. That is why the Government are rightly developing this long-term investment strategy for floods and coastal erosion. We are considering the funding needs and pressures for the next 25 years and how the greatest value for money can be achieved in how that investment is delivered. Through individual flood strategies such as the Humber flood risk management strategy, with all the difficulties, challenges and controversy that they involve—people will have concerns; rightly, as their own homes and livelihoods are being affected—we will be looking to establish long-term solutions.

The hon. Gentleman mentioned other matters related to not only coastal erosion but flooding. We are also continuing our work on the draft floods and water Bill, and our intention is to present it for pre-legislative scrutiny and consultation in spring 2009. That Bill will be our opportunity, and the hon. Gentleman's, to examine how we consolidate the many flood and coastal erosion risk management-related entries on the statute book and make them a proper, joined-up, holistic, coherent strategy to deal with the issue in the interests of our constituents. It will allow us the opportunity to bring together the regulatory regimes on flood defence and on coastal erosion and to ensure a co-ordinated approach that clarifies roles and maximises joint working between all the bodies, agencies and communities involved in flood and coastal erosion risk management, and leads to effective protection on the ground and in the communities that we represent.

Mr. Graham Stuart: Why was that draft Bill not part of this Queen's Speech, given that after last year's floods there was a real sense of urgency and yet there is now practically no chance of its becoming law before the next general election?

Huw Irranca-Davies: With the hon. Gentleman's support, when we introduce it we will get it through in a good shape, but without undue haste. There is always a question of which Bills are introduced. I will be helping Lord Hunt in another place to deliver the marine and coastal access Bill. *[Interruption.]* I welcome the hon. Gentleman's welcome for that Bill. We are committed to its delivery. Some good support and some tough decisions will be required to make realistic progress.

I am sure that the hon. Gentleman shares our view that it is not beneficial or practical to protect every acre of land and every inch of coastline, particularly when we all know that climate change is increasing storminess, wave heights, and incidents of extreme heavy rainfall. Our focus must rightly be on risk management—on balancing likelihoods and consequences and ensuring that the considerable investment of taxpayers' money is used to best effect. Any investment must be in return for significant reductions in the likelihood and consequences of flooding and coastal erosion, and it must be made in the places where the benefits are greatest. However, even record levels of investment cannot prevent all exposure to flood and erosion risk, so the answer cannot be simply to pour ever-increasing sums into building higher defences. We must also consider how we can reduce risk by adaptation.

Mr. Stuart: We would love to see you.

Huw Irranca-Davies: I note the hon. Gentleman's kind invitation, and I hope that I can take up that offer. As he knows, the Minister of State, my right hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy), recently visited the area, but if I have the opportunity, I will take it up.

Having said all that, I am not suggesting that Government support will dwindle. We recognise the importance of this issue and the effect that it has on people and their livelihoods. Ultimately, we want to ensure that places that have experienced floods, such as Burstwick and Hedon in the east riding of Yorkshire, benefit from a joined-up, effective and equitable system of managing excess water. As the hon. Gentleman said, the Environment Agency is in the process of mapping a means that manages the risk of flooding from the sea and main rivers through the Humber flood risk management strategy and the River Hull strategy. The Humber flood risk management strategy—

7.34 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Thursday 11 December 2008

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

BUSINESS, ENTERPRISE AND REGULATORY REFORM

The Minister of State was asked—

Bank Lending

1. **Sandra Gidley** (Romsey) (LD): What assessment he has made of the effect on small businesses of bank lending practices. [242331]

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): The credit crunch and the global economic downturn are, of course, having a serious effect on small businesses. As well as the measures to increase the availability of credit that have been set out by the Government in the pre-Budget report, my noble Friend the Secretary of State has established the Small Business Finance Forum, which involves all the major high street banks and the main business organisations. That body has drawn up a revised statement of principles covering business lending and is also monitoring the availability of credit to small business.

Sandra Gidley: Some would say that the banks have been treated more than fairly, yet they have not passed on that largesse to their customers. Will the Minister look into a case where the Royal Bank of Scotland, which is one of the banks that has been bailed out, has increased fivefold the repayments required from one of the businesses in my constituency, despite an existing six-month agreement, and the fact it was a long-standing customer? That could, effectively, put 80 jobs at risk. Does he think that is fair and, given such agreements, what will he do to ensure that customers and businesses are treated fairly by the banks?

Mr. McFadden: Ministers will not seek to place themselves in the shoes of bank managers and judge individual credit applications. However, of course, it is also true that many businesses have raised the difficulties of accessing credit with right hon. and hon. Members from all parties. The hon. Lady mentioned the RBS Group, which, with the NatWest Group, announced on 23 November that it would maintain existing overdraft pricing for small businesses until the end of next year. Some measures have been taken, but we are not saying that there is not an issue. That is why the Small Business Finance Forum has been established, and, indeed, why both the Chancellor and the Secretary of State will meet the high-level lending panel later today to pursue the issue further.

Tony Lloyd (Manchester, Central) (Lab): My right hon. Friend's comments will give some comfort, but I draw his attention to one specific group of small firms that, even in easier times, have traditionally found it difficult to obtain finance: those firms involved in research and development. They are at the cutting edge of technology and are vital businesses in terms of the creation of future manufacturing strength and employment. Will he have a particular look at how such firms can gain access to finance in these difficult times?

Mr. McFadden: In the pre-Budget report, my right hon. Friend the Chancellor of the Exchequer set out a number of measures that should help businesses to gain more access to credit. In addition to the existing small firms loan guarantee scheme, those measures included a small business finance scheme to support up to £1 billion of bank lending, a separate £1 billion guarantee facility to support bank lending to small exporters, and a £50 million loan facility based on swapping debt for equity. That is in addition to the measures announced by regional development agencies for transition loan funds. The Government have taken a number of measures to try to ease the problems of access to finance and credit, which small businesses across the country are raising with us.

Mr. Brian Binley (Northampton, South) (Con): The Prime Minister boasted yesterday that help has been given to small business, yet all the small businesses that have contacted me say that the banks are not well informed about the scheme, some are reluctant to promote it and many small firms are unaware of it. The Minister talked about monitoring, from which one assumes he has had some results. Will he tell us what results he has had, because my information is that things simply are not working?

Mr. McFadden: I think the hon. Gentleman is referring to the small firms loan guarantee scheme. The measures that I listed in response to my hon. Friend the Member for Manchester, Central (Tony Lloyd) are in addition to that scheme and are coming on stream precisely because we recognise how important access to credit finance is to small businesses. Without such credit, businesses cannot take investment decisions and they cannot operate in the way that they should. That is why we are so active in this matter.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): The measures that the Government have announced to help small business are clearly welcome, but there is a problem with small businesses knowing where to go. A plethora of initiatives has been announced, but the Government should take steps to improve one-stop shop access to make it clear to small businesses what initiatives are available. I would be interested to know what the Minister is going to do to address that problem.

Mr. McFadden: My hon. Friend makes a good point. The Government have recognised a need for the simplification of information in business support schemes.

Indeed, prior to the pre-Budget report, we announced a large-scale simplification of advice to businesses, collating all the different support schemes into a much smaller number. I hope that the process of obtaining advice about what help is available and where to go will be easier than it is at present. Business Link is the key place to go for businesses looking for advice on what help is available from the Government. I also think that the banks have a role to play in ensuring that an appropriate level of lending is available, so that the economy can work in the way that we all want it to.

Mr. Mark Prisk (Hertford and Stortford) (Con): Sharp practice by the banks clearly must be exposed and challenged, but Government interference is often not helpful itself. Why is the much-promised European Investment Bank money yet to reach our small businesses? Czech businesses have reportedly received €100 million, Spanish firms have received €200 million and French firms have received €300 million. Could the Minister tell us how much of the EIB money UK small businesses have received? I am talking about the actual businesses, not their banks.

Mr. McFadden: A number of other countries have traditionally used EIB money, and that is precisely why their businesses are already receiving money. The banks in the UK have accessed up to £1 billion from the EIB, which will be channelled to small businesses.

Car Industry

2. **Miss Julie Kirkbride** (Bromsgrove) (Con): What steps the Government are taking to support the car manufacturing industry; and if he will make a statement. [242332]

The Parliamentary Under-Secretary of State for Business, Enterprise and Regulatory Reform (Ian Pearson): We are closely engaged in supporting the UK automotive sector, both at a European level, through pressing the European Investment Bank for an €8 billion automotive support fund and domestically, through our investments in low-carbon research and development and training, and our package of support for small and medium-sized enterprises announced in the pre-Budget report.

Miss Kirkbride: The Minister will be aware of speculation in the newspapers that secret talks are taking place between the Government—Ministers and perhaps his officials—and the owners of Land Rover and Jaguar about some kind of financial support. I would be grateful if he would tell the House whether that is the case and whether, given the severe situation in America and in its automotive sector—General Motors is in trouble over there—the Government are also having talks with Vauxhall, which is owned by GM.

Ian Pearson: I do not want to speculate on talks that the Government may or may not have been having with a range of automotive companies. What I want to say clearly to the House is that the automotive sector is extremely important to the UK. Peter Mandelson and I publicly had a meeting with a wide cross-section of the automotive manufacturers, suppliers and retailers on 27 November. We continue to engage closely with the sector, and I am determined that we shall do everything we sensibly can to help viable businesses during these exceptional times.

Richard Burden (Birmingham, Northfield) (Lab): Clearly these are difficult times for the motor industry. Some of the major manufacturers are going on extended breaks as a result of falling sales. Does my hon. Friend agree that, although understandable, that can cause major problems down the line in the components sector? Does he also agree that we need to take real action to ensure that our technological base in motor sport, components and other parts of motor manufacturing is maintained, not just for the sake of jobs right now, but to secure our prowess in those areas in the future?

Ian Pearson: My hon. Friend is an expert in these areas, and I agree that the integrated nature of the automotive supply chain brings real challenges for suppliers when the automotive manufacturers decide to take extended breaks. We are acutely aware of the pressures that the situation is causing a number of supply chain companies. As he is aware, the UK has about 200,000 jobs in the supply chain alone, about 500,000 in retail and about 180,000 in direct automotive production. This is a vast and important sector of the UK economy, and we need to examine what more we can do to support companies that are going through very difficult times at the moment.

Peter Luff (Mid-Worcestershire) (Con): I heard what the Minister said, and he cited the statistics that I was going to cite about the manufacturing and retail sectors. But continuing to engage closely is not enough; action is urgently needed. I have just come from a meeting with the Retail Motor Industry Federation, which has suggested a range of practical measures that would help it and manufacturers. Such measures include abandoning the Government's proposals to remove the right of car retailers to claim back vehicle excise duty in respect of unused car discs and ending the Government's punitive attack on void rates. The pathetic measures introduced by the Chancellor just will not be enough for car dealers, who will have empty premises next year. A range of things, such as introducing 100 per cent. capital allowances for commercial vehicles, could be done now—urgently—to prevent an imminent disaster, not just for manufacturers, but for retailers.

Ian Pearson: There is a range of things that the Government are already doing, such as the small business finance scheme, the £1 billion in loan guarantees, the schemes to convert business debt into equity and the transition loan fund, of which the hon. Gentleman will be aware, that exists in the west midlands and other places. I have already written to supply chain companies, through the manufacturers, outlining the package of measures that are already available from the Government. However, we need to see whether we can do anything further, because we recognise as a Government that the UK automotive industry is of critical national importance. The Government are taking action. The action that we took on the recapitalisation of the banks and through the £20 billion fiscal stimulus, which the Opposition have opposed, is about responding. We are trying to kick-start the economy and help companies through difficult times, and I hope that the hon. Gentleman appreciates the actions that we are taking.

Mr. Elliot Morley (Scunthorpe) (Lab): My hon. Friend is quite right to say that the car industry is of national importance, but so is the steel industry, which provides it with the basic raw materials. He knows that Corus recently had a meeting with the Prime Minister and other Ministers. Corus is making efforts to keep the work force together, which is a welcome break from the past, because losing a skilled work force makes it difficult when things turn around. Will my hon. Friend assure me that the Government will give Corus whatever assistance is appropriate to see it through this difficult period?

Ian Pearson: As I have said, we want to do all that we sensibly can to help viable businesses. My right hon. Friend will be aware from reports in the newspapers today of the discussions that Corus has been having with the unions about taking a pay cut, and of the other measures being taken to see people through difficult times. Whether we are talking about the steel, automotive or construction industry, the global credit crunch and the recession that we are all facing are bringing enormous challenges to companies, to people who work in them and to Governments. We need to ensure that we are up to the mark and are taking action to support our companies through these difficult times, and that is exactly what we are going to do.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): As has already been said, the car manufacturing industry is a major part of British industry, as well as a substantial employer. Given that President-elect Obama has decided that the US car industry is too large to fail, what assessment has the Department made of the potential for a failure in the car industry to give rise to a systemic failure in UK plc? Would the Government consider a similar decision, and if so, what criteria would they use to make the judgment?

Ian Pearson: I have already quoted figures that demonstrate the importance of the automotive sector to the UK economy, and I do not need to repeat them. The Government are engaging with the automotive industry on a daily basis about the problems that it faces. We have already taken a range of measures to support companies, particularly some of the small and medium-sized companies in the supply chain, with the schemes that we have made available, which we are widely publicising to the industry.

There is a case for saying that we need to do more and we are actively considering that. I can only repeat that the circumstances in which we find ourselves are circumstances that we have not seen for more than a generation. Sales have fallen off a cliff. The November figures show that UK car sales are down by 37 per cent. The situation is the same in the United States and sales are down by 50 per cent. in Spain. Although they have declined less in France, Germany and Italy, the declines are still significant. When companies' sales disappear, we need to ensure that we bring back confidence to the market as quickly as possible, which is why the fiscal stimulus is so important and why it is irresponsible of the Conservative party to oppose it.

Credit Availability

4. **Mr. Andrew Pelling** (Croydon, Central) (Ind): What assessment his Department has made of the adequacy of the availability of credit for businesses. [242334]

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): We understand that credit is a serious issue for business. That is why the Chancellor announced a number of measures in the pre-Budget report to improve access to credit, including the new small business finance scheme, which could make available up to £1 billion of additional credit, the export lending scheme and the transition loan funds that will be available through the regional development agencies in many parts of the country.

Mr. Pelling: I would be interested to learn from the Minister about the methodology involved in the Government being able to get information, other than that provided by the banks, on the provision of credit to small businesses. He might be interested to know that, according to the *Croydon Guardian*, the chief executive of South London Business reports that many perfectly solvent businesses are being damaged, as many other Members have said, by the speedy removal of credit and the early calling away of debt. Many companies that are cashed out and close to being in default will be at risk if the Government are unable to bring forward measures in a speedy way to ensure that such companies are bailed out.

Mr. McFadden: We are bringing forward measures, as I have said. There is a disjunction between what small businesses are reporting to the hon. Gentleman and many other hon. Members on both sides of the House, and what the banks are saying about the availability of credit. That is precisely why we have brought business and bank representatives together in the Small Business Finance Forum to examine the facts and to find out exactly what is happening in the lending market.

Mark Pritchard (The Wrekin) (Con): The Minister is a fellow west midlands MP, and he will know that many businesses throughout the region cannot get credit from the banks. Why is it that, within hours of coming to the Government, the banks received a big fat cheque from the taxpayer, when businesses in Shropshire, even after many weeks, cannot get the credit that they need to run on a day-to-day basis?

Mr. McFadden: Had we not taken the action that we took to recapitalise the banks and inject more credit into the system, there would have been a danger of a complete seizure in the banking system, which could have had a catastrophic effect on the wider real economy and on the businesses that the hon. Gentleman is worried about. That is why it was entirely right for the Government to take that action to stabilise the banking system. We now need to ensure that lending at an appropriate level is available to businesses in the wider economy, and that is why we are working with the banks and why we have taken the measures that were announced in the pre-Budget report.

Alison Seabeck (Plymouth, Devonport) (Lab): I recently met representatives of the Civil Engineering Contractors Association to discuss the impact of the downturn on its members, which include small businesses and some of my constituents. They broadly welcomed the measures that the Government have introduced to assist them with credit, but said that there were still some issues. They were also concerned about the small firms loan

guarantee scheme, and gave me examples of their members being told that it would take four months for the process to go through. That is causing real hardship. Will my hon. Friend look into those delays and see whether anything can be done to speed the process up, so as to avoid the loss of jobs and skills in the sector?

Mr. McFadden: It should not take four months for loans to be processed through the small firms loan guarantee scheme, and I will certainly follow that up for my hon. Friend if she gives me the details. The combination of measures that we have taken, including that scheme and the other measures announced in the PBR, are designed precisely to take action with regard to the problem that we are all concerned about—access to finance for small and medium-sized businesses, which are the lifeblood of our economy and which provide so much employment for our constituents.

Mr. Andrew Mackay (Bracknell) (Con): As it is clear that, in this recession, the biggest single problem facing most businesses is a lack of credit, does the Minister not see that his small firms loan guarantee scheme is inadequate, and that he should take up our proposal for a national loan guarantee scheme? It would cost a lot more money, but it would be paid for by scrapping the ridiculous reduction in VAT, which has not helped industry at all.

Mr. McFadden: Our proposals are not restricted to the existing small firms loan guarantee scheme because, as I said, the Chancellor announced additional measures. As to the right hon. Gentleman's party's proposals, the Conservatives really need to make up their minds. The other day, his party leader attacked us over our level of spending and borrowing; the Conservatives have now announced a new scheme, but we have not yet been told about the balance of risk between the Government and the banks or the exposure of the taxpayer to the scheme. If more action is needed, this Government have said that we will take it, but I can assure the right hon. Gentleman that, unlike what happens in his party, any measures we announce will be properly costed and thought through.

Mr. Mike Weir (Angus) (SNP): When the Secretary of State appeared before the Business, Enterprise and Regulatory Reform Select Committee, he made the valid point that it was important that bank bosses' promises on lending got through to banks on the ground. This morning, I received a Christmas card from the Federation of Small Businesses Scotland—[HON. MEMBERS: "Ah."]—and a very nice one it is, too. It is a letter to Santa, which refers to overdrafts renegotiated, rates trebled and charges of £150 for the privilege. That is the reality on the ground. When the Minister has a summit with bank leaders, what other action will he take to ensure that any promises made to small businesses are actually carried out by bank managers on the ground?

Mr. McFadden: It is important that any statements made by banks about the availability of lending are reflected in the reality on the ground. That is why the Small Business Finance Forum has updated the statement of principles that govern lending by banks to small businesses. I referred to RBS earlier, but Lloyds TSB has announced a charter for small businesses, which commits to maintaining overdraft limits and margins at existing levels, and HSBC has announced a £1 billion business support fund for UK small businesses to fund working capital. Some action has been taken, but we will, of course, continue to work with the banks to ensure that the sort of statements made by the banks and mentioned by the hon. Gentleman actually feed through to the small businesses in his and other constituencies.

Alan Duncan (Rutland and Melton) (Con): The real truth is that businesses are increasingly desperate because their credit lines are drying up, the cost of borrowing has increased dramatically and credit insurers are refusing to underwrite the payment chain. Surely the Minister would agree that the recapitalisation of the banks has not yet filtered adequately, if at all, into the real economy. Why, then, has he chosen to reject our clear policy for a national loan guarantee scheme that would augment and underpin credit lines in a way that no Government policy yet does—or is he really saying that the Government have no ideas of their own and are simply rejecting it because it has on it the label, "Not invented here"?

Mr. McFadden: We announced a loan guarantee scheme in the pre-Budget report, based on a balance of risk sharing between the Government and business. As far as the hon. Gentleman's proposal is concerned, as I have already said, the Conservatives have not made clear what proportion of the loans would be underwritten or what balance of risk will be shared between the Government and the lenders. It is important that proposals in this area are properly costed. That is what we have done and if further action is needed to help small businesses, we will not hesitate to take it.

Alan Duncan: But one thing the Government could definitely do to extend credit to businesses is to let them delay their VAT payments. Yesterday the Prime Minister said at Prime Minister's questions that that was his policy and it should happen, but businesses are saying that, in fact, they are not being allowed to do that because Her Majesty's Revenue and Customs says, among other things, "Oh no, it would give such a company a competitive advantage." How can the Minister reconcile what the Prime Minister says one day with what is actually happening on the ground, and what instructions—what clear instructions—have the Government given to HMRC about the deferral of businesses VAT?

Mr. McFadden: The Chancellor announced in the pre-Budget report that HMRC would, on a case-by-case basis, allow businesses to spread their tax and VAT payments over a longer period of time. It is not the case that they have all been refused, as the hon. Gentleman claims that they have. It is judged, as I said, on a case-by-case basis.

In terms of policy—I know that the Conservatives like a leak—perhaps I should draw attention to the hon. Gentleman's approach. I have an e-mail to him from his colleague, the hon. Member for Hertford and Stortford (Mr. Prisk)—

Mr. Speaker: Order. We will not bother with that.

Car Industry

5. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What recent representations he has received on the effect of the current economic climate on the car manufacturing and components industries; and if he will make a statement. [242335]

The Parliamentary Under-Secretary of State for Business, Enterprise and Regulatory Reform (Ian Pearson): We have wide-ranging contact at all levels with the automotive industry. The Secretary of State for Business, Enterprise and Regulatory Reform and I met automotive manufacturers, suppliers and retailers on 27 November and we continue to have close dialogue.

David Taylor: Factories such as Nissan in Sunderland, Honda in Swindon and Toyota in south Derbyshire have components supplied by extensive networks of much smaller firms, which, lacking significant cash reserves, suffer disproportionately as car production is scaled back. Does the Minister agree that a possible erosion of jobs in parts suppliers by up to 25 per cent. will reduce the anchorage of car plants in the UK, with remaining firms sourcing much more from abroad? Further to the question asked by my hon. Friend the Member for Birmingham, Northfield (Richard Burden), what steps is the Minister taking to ensure British component firms have the necessary access to credit to enable them to trade through the deepening recession?

Ian Pearson: My hon. Friend is absolutely right to point to the importance of the supply chain and UK automotive manufacturers sustaining it in the future. Clearly, some of the major difficulties that the automotive industry faces have an impact on the supply chain. We saw Wagon Automotive going into administration in the UK only very recently. Any job losses are regrettable.

As a Government, we need to ensure that we continue to provide measures—the finance that is available—to the sector. As I explained, I have written to automotive suppliers, through the lead manufacturers, outlining a range and package of measures that are on the table and available now or will be available very shortly. Again, we need to see whether there is more that we can do to help some of the companies that are viable but are facing unprecedented shocks to their businesses as a result of the problems that we are seeing internationally.

Mr. Gary Streeter (South-West Devon) (Con): Will the Minister confirm that it is not just about the manufacturers, or even the component manufacturers, but about the national network of dealerships, which employ dozens, if not hundreds, of people in each of our constituencies? As we know, they are struggling and have had a very bad year. Will he help them by the clarifying precisely which cars will have their vehicle excise duty increased over the next year or two, because people out there are still completely confused by this and it is acting as another deterrent to cars being sold? Will the Government enter into a campaign to demonstrate precisely which cars will have their VED reduced or increased, and clarify the situation for the people at large?

Ian Pearson: The hon. Gentleman is right to point to the importance of the retail end of the industry and the car dealership networks that exist in the UK. They employ significant numbers of people. While they might not be as geographically concentrated as some of the big automotive plants, the cumulative effect is that something like 500,000 people work in that retail sector. What we said about VED in our pre-Budget report was clear, but I will talk to some of my colleagues and officials in the Treasury to see whether there is more that we might need to do to ensure that that information is widely available. The industry as a whole has welcomed the announcement that we made on VED. We need to ensure that we actively promote it.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): My hon. Friend will be aware that many small companies in my constituency are second, third and fourth-tier suppliers to the car industry. If they go under, it will not only be a tragedy for the employees of those companies, but it could undermine our future industrial capacity to meet the upturn when it takes place. Will he undertake to listen to their submissions and work on policies, but above all will he examine the potential role that Government procurement could have in the motor industry to sustain demand at this time when it is most needed?

Ian Pearson: My hon. Friend has made some key points. Obviously the development of lean production techniques and "just in time" manufacturing has led to a hugely interrelated supply chain. If one part of it suddenly breaks down, major problems can be caused to the process of making cars, so it is right for automotive companies themselves to take a close interest in the financial performance of their supply base. A number of companies have given their suppliers credit to ensure more prompt payment and to help the supply chain through difficult times.

I am not sure that a major Government programme of purchasing new cars would be effective. What we want is for people to start buying cars again because they feel confident about the future, and there are some pretty good car deals around at the moment.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): The Government have already introduced a substantial bail-out package for the banks, and there have been calls for them to do the same for the automotive sector. Will the Minister tell us precisely what the policy is on the use of further taxpayers' funds for future rescue packages, to enable the half million employees in the sector to whom the Minister referred to know exactly what they can and cannot expect from their Government?

Ian Pearson: We were absolutely right to make the decision to recapitalise the banks. Even the Conservatives have welcomed that decision, although they have cavilled at measures such as our credit guarantee scheme. The scheme is effective, and by the end of the year some £100 billion worth of guarantees will have been issued.

As I have said, it is important for us, as a Government, to see what we can do to help viable businesses through difficult times. We are engaged in a contingency planning exercise and we are considering a number of possibilities, which is the right thing for us to do. We will continue to consider what further sensible measures we can take to support the automotive industry during the current incredibly difficult period.

Topical Questions

T1. [242351] **David Taylor** (North-West Leicestershire) (Lab/Co-op): If he will make a statement on his departmental responsibilities.

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): Our Department is concentrating fully on working with businesses through

what is a difficult economic period, and ensuring that British business can emerge from the downturn in as strong a position as possible.

David Taylor: In the absence of the Secretary of State, I must rely on my right hon. Friend, as his political amanuensis, to interpret Lord Mandelson's views as reported in *The Sunday Times* last week. He said that

"it was up to individual companies to sort out their own future if they ran into trouble... 'We"

—the Government, that is—

"'are not going to step in when banks and other lenders are capable of doing it themselves.'"

What does my right hon. Friend think Lord Mandelson meant by that, against a backdrop of potentially the worst economic situation for generations?

Mr. McFadden: What that means is that the Government cannot and should not seek to replace the role of the banks as the main lenders to the economy. We have introduced a number of measures—which I have mentioned several times today— to give small businesses access to finance, but the main lenders must be the banks themselves, and that is precisely what my noble Friend Lord Mandelson meant.

T2. [242352] **Mr. Peter Bone** (Wellingborough) (Con): I have given the Minister notice of this question. An important manufacturing company in my constituency has had to lay off a third of its work force, and 40 people face redundancy as a result. It would like some practical help and advice on how it can afford to pay the redundancy costs, keep going and develop into a slimline company. Can the Minister offer any advice on how the company can both pay the redundancy money and continue to operate in a slimmed-down form?

Mr. McFadden: The hon. Gentleman did give notice of the question. My understanding is that the company has laid off a number of people and is having difficulty meeting the redundancy payments that may be involved in doing so. There is a scheme: the financial difficulties scheme under the Insolvency Service. It is designed to avoid both stress and delay in employees applying under such a scheme. Under this scheme, the Redundancy Payments Office can pay employees the redundancy payments to which they are entitled against an agreement from the employer to reimburse the national insurance fund over time. I am happy to look further into that matter for the hon. Gentleman.

T8. [242358] **Mr. Jim Cunningham** (Coventry, South) (Lab): Is my hon. Friend aware that some major companies, such as Rolls-Royce, are trying to assist their suppliers through helping them with credit? What are the Government doing to encourage other major companies to do the same thing?

Mr. McFadden: My noble Friend the Secretary of State yesterday met major businesses and the Institute of Credit Management to agree a code of prompt payment from large businesses through their supply chains. The Government have said they will do their best to be a good and responsible customer during this period, and we understand the importance of prompt payment to small businesses. I entirely agree with my hon. Friend that this is a job not just for Government, but for the many large businesses upon whom countless thousands of small businesses depend for prompt payment and their day-to-day business.

T3. [242353] **Greg Mulholland** (Leeds, North-West) (LD): One important area of British industry that is continually ignored by the Government is the pub industry. There is particular concern at this time of year about the income levels of publicans. May I bring to the Minister's attention the Morgan Stanley report that revealed that between a fifth and a quarter of licensees make under £20,000 a year, which is deemed to be the minimum acceptable level? That equates to £3.30 an hour each for a couple, which is clearly below the minimum wage. Does the Minister therefore agree that the way in which the big pub companies operate the
tie is not fair and that the Government should look at that again?

The Minister for Trade, Investment and Consumer Affairs (Mr. Gareth Thomas): The hon. Gentleman might be aware that the Business and Enterprise Committee is currently looking at the issue. We are closely watching the different strands of evidence that are presented to it, and we will carefully consider any recommendations arising from the Committee's work. As he alluded to in his question, pubs are crucial small businesses in many communities and, as he will be aware from the answers that my ministerial colleagues have already given, the Government are taking a series of initiatives to help small businesses, and pubs might be able to access them as well.

Mr. Austin Mitchell (Great Grimsby) (Lab): A written statement was issued this morning extending the compensation given to Icelandic waters fishermen to aggregate service not interrupted by 12-week breaks. That will be warmly welcomed in all the fishing ports, but will my right hon. Friend tell us what estimates he has of the number of fishermen affected? In terms of the unacceptable proposal to extend the conditions to requiring two years of service during the cod wars, will he bear it in mind that there were in fact three, if not four, cod wars, two of them in the 1970s?

Mr. McFadden: I thank my hon. Friend for his welcome for the written ministerial statement tabled today, which is in response to the ombudsman's recommendations on the Icelandic waters trawlermen's compensation scheme issued last year. The statement says that we will run a new scheme based on aggregate service and not using the previous breaks rule. We estimate that that will benefit about 1,000 former trawlermen, who should receive additional payments. I pay tribute to my hon. Friend and all Members representing port communities who campaigned so hard and effectively for their constituents on the issue, and I hope he is right that this news will be warmly welcomed in port communities that have been affected over the years.

T5. [242355] **Sir Nicholas Winterton** (Macclesfield) (Con): I tabled a question on 11 September relating to the numbers employed in the various sectors of the textile industry. It appeared on the Order Paper on the first day back after the summer recess. Despite

numerous calls—and answers to the effect that it was currently with two Ministers—the question fell at Prorogation. How can Members do their work properly if Ministers and Departments take so long to reply to vital questions?

Mr. Thomas: I hope that the hon. Gentleman will forgive me for not knowing the specific details of what happened to that question, but I will investigate what happened and get back in touch with him by the end of the week.

Mr. Frank Doran (Aberdeen, North) (Lab): May I add my warm congratulations to my right hon. Friend the Minister for Employment Relations and Postal Affairs on the statement that he made this morning about opening up the cod war trawlermen's compensation scheme and on finding an answer to a very difficult problem? He will be aware that many of the people who will qualify under the new scheme are elderly, and some have died and their widows are also elderly. Can he give us some idea of the programme for the introduction of the scheme, because it needs to be done quickly?

Mr. McFadden: My hon. Friend makes a good point and I know that he has campaigned hard and effectively on that issue. We are aware that this has taken a long time. It is a complex scheme because, as my hon. Friend the Member for Great Grimsby (Mr. Mitchell) said, we are often dealing with fishing records going back for some decades. I can assure my hon. Friends and other Members with an interest in this area that we will implement the new scheme as quickly and efficiently as possible.

T7. [242357] **Danny Alexander** (Inverness, Nairn, Badenoch and Strathspey) (LD): When will the Hooper review on postal services be published? When it is, will the Minister ensure that he resists any attempt to reduce the scope of the universal service obligation? Will he also use it as an opportunity to put pressure on those many companies that charge excessive costs for deliveries to the highlands and islands and suggest that they use the universal rate for parcel delivery offered by the Post Office?

Mr. McFadden: If I may quote the Secretary of State who, when asked about the timing of that report in the House of Lords a couple of weeks ago, said, "Not before too long." I echo that. In terms of the USO, I remind the hon. Gentleman that it was this Government who enshrined the USO in primary legislation.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Church Collections

2. **Miss Anne McIntosh** (Vale of York) (Con): Whether the Church Commissioners hold information on the amount of money taken in collections in churches. [242323]

The Second Church Estates Commissioner (Sir Stuart Bell): Collections in churches totalled £56 million in 2006, the last year for which figures are available. However, that is only a small part of the regular committed giving of members of the Church of England, most of which is by standing order. Total income from donors was nearly £537 million, including £70 million of reclaimed gift aid.

Miss McIntosh: I congratulate the Church Commissioners on the staggering amount of contributions from the worshipping public. Do the Church Commissioners anticipate a reduction in the amount received because of the credit crunch? If so, will the hon. Gentleman join me in renewing our campaign to obtain a reduced VAT rate on church repairs, now that we have established the principle that the Prime Minister is minded to lower VAT in certain circumstances?

Sir Stuart Bell: I am grateful to the hon. Lady for making that point. I should point out that the average donation to the Church of England is £8.64 a week, or £450 a year, but that is more than double the amount given by the average adult in the UK to all the other charities they support, so the Church clearly benefits from that dedication. The question of reducing VAT further is a problem throughout the European Union, as we need the consent of all the other member states. We have a reduction in VAT through a method introduced by the Prime Minister when he was Chancellor of the Exchequer. That is still available and it has no time limit.

PUBLIC ACCOUNTS COMMISSION

The Chairman of the Public Accounts Commission was asked—

NAO Headquarters

3. **Mr. Philip Hollobone** (Kettering) (Con): For what reasons the Public Accounts Commission recently approved additional funding of £5.8 million for the project to refurbish the headquarters of the National Audit Office. [242324]

Mr. Alan Williams (Swansea, West) (Lab): We approved extra funding because the initial work identified problems with asbestos, structural defects and, unexpectedly, construction-cost inflation. Those problems could not have been anticipated at the outset.

Mr. Hollobone: In view of the extra funding, can we be sure that the project will still deliver its original aims and meet its 2009 deadline? Will the revised budget of £83.24 million be the final figure?

Mr. Williams: The NAO has given us an absolute assurance on all those points. It will deliver on time next year, and within the new budget.

Mr. Peter Bone (Wellingborough) (Con): The right hon. Gentleman will know of the John Tiner report into the governance of the NAO. What does he think that the auditors will say about the refurbishments? Are there any plans to rotate the auditors?

Mr. Williams: We do rotate the auditors, and I cannot envisage that they will have any problem with these budget increases.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Church Estate (Water Services)

4. **Ben Chapman** (Wirral, South) (Lab): What assessment the Church Commissioners have made of the effects of changes to charges for water services on the Church's estate; and if he will make a statement. [242325]

The Second Church Estates Commissioner (Sir Stuart Bell): It is estimated that the new annual charge for surface water drainage will cost Church of England churches and cathedrals around £5 million or more. Churches using the public sewers will also be liable for highways drainage contributions at an estimated cost of around £10 million per annum.

By way of a statement, we are deeply concerned about the impact of these charges on the local work of the Church and other faith groups.

Ben Chapman: Do we not have enough difficulty finding funds to run and maintain our churches without the water companies adding to the burden by adding to their profits? Does my hon. Friend intend to seek meetings with Government and others to rectify the situation?

Sir Stuart Bell: I am grateful to my hon. Friend for that question. Representations have been and continue to be made to the Government on that issue. We have looked at it carefully and are not convinced that it is all a matter of water company profits. The companies maintain that the change will be cost neutral as it redistributes charges falling on different categories of non-household customers. That includes businesses, churches, charities and community bodies. However, it is having a considerable effect on our churches.

Robert Key (Salisbury) (Con): I have been working on this problem with the diocese of Salisbury, and it has been reported to me that Wessex Water believes that the changes to the charging regime would come into operation only on change of ownership of the property involved. On the face of it, that would seem to make it unlikely that a church would be affected, but what would be the impact of a change from freehold to common tenure? I do not expect the hon. Gentleman to know the answer to that question today, but will he please let us know?

Sir Stuart Bell: I am relieved that the hon. Gentleman does not expect me to answer that off the top of my head, and I would not wish to do so. It is a matter worthy of study, and I shall give him a specific response, and place a copy in the Library.

Sir Nicholas Winterton (Macclesfield) (Con): Is it not absolutely outrageous that the water companies charge churches and other similar bodies for the disposal of surface water? Rain comes from heaven: it does not cost the water companies anything yet they charge us for it. Why the devil are the Government allowing them to charge churches for the disposal of surface water? It is outrageous.

Mr. Dennis Skinner (Bolsover) (Lab): He voted for privatisation.

Sir Nicholas Winterton: I did not.

Sir Stuart Bell: I am sure that the hon. Gentleman does not wish to answer his own question. I am happy to do that, but he knows that mercy is like the rain, gentle from heaven above. Unfortunately, the water company charges are not from heaven, but are induced and calculated. I support what he says, and agree that this is a Church-wide issue: a Teesside clergyman at St. Luke's, North Thornaby has reported to me that his church has experienced a rise in its water charge of 1,300 per cent. His church warden created a petition on the No. 10 website, and so far it has attracted 37,000 signatories. Given the hon. Gentleman's views, perhaps that total will now rise to 37,001.

PUBLIC ACCOUNTS COMMISSION

The Chairman of the Public Accounts Commission was asked—

NAO Financing

5. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What recent representations the Public Accounts Commission has received on the financing and cost-effectiveness of the National Audit Office. [242326]

Mr. Alan Williams (Swansea, West) (Lab): The Public Accounts Commission monitors the financing and cost-effectiveness of the National Audit Office, especially when considering the NAO's three-year corporate plan and when approving its estimates for the coming year.

David Taylor: I am grateful for that answer. Is it not the case that the NAO has a target of saving the taxpayer £9 for every pound that its operations cost? Would the NAO not be able to do that much more easily if it had a proper grip on the £250,000 million-worth of private finance initiative projects, which are prohibitive in cost, flawed in concept and intolerable in consequence? Alternatively, the NAO could get a grip on Her Majesty's Revenue and Customs to bridge the tax gap, which at a minimum is at least £25 billion a year, in tax avoidance by the best-off individuals and the 700 largest corporations.

Mr. Williams: I should like to comfort my hon. Friend, as I know he gets very anguished about the National Audit Office. It has in fact progressively increased its performance. When I first went on to the Public Accounts Committee—I think it was in 1990—the ratio was 5:1 and at the request of the Public Accounts Committee and the Public Accounts Commission, the

ratio has gradually increased to 9:1. A nice ballpark figure for my hon. Friend to remember is that as a result of that, in the last 18 months the NAO has saved the taxpayer £1 billion.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Church Restoration

6. **Andrew Rosindell** (Romford) (Con): What recent discussions the Church Commissioners have held on the restoration of churches. [242327]

The Second Church Estates Commissioner (Sir Stuart Bell): Church of England staff have been meeting officials from the Treasury, the Department for Culture Media and Sport, the Department for Communities and Local Government, the Office of the Third Sector and the Department for Environment, Food and Rural Affairs. The Church Commissioners encourage continued financial support for the English Heritage and Heritage Lottery Fund places of worship grant scheme. The Church's discussions with the Government are focused on securing equal access to national and local government funding streams, and are ongoing.

Andrew Rosindell: I thank the hon. Gentleman for his reply. Does he agree that churches are a vital part of our Christian heritage and that everything possible should be done to protect and restore English churches? Will he accept an invitation to my constituency to visit St. Alban Protomartyr in Princes road, Romford to see the exceptional work of Father Roderick Hingley, who has raised money through public donations? Will he come to see that work, which is an example to others?

Sir Stuart Bell: I am grateful to the hon. Gentleman for his kind invitation. He has made me an offer I cannot resist. Nearly half the population think that central taxation, local taxation, the national lottery or English Heritage should primarily be responsible for providing money to maintain churches and chapels. It is not something that I would wish to lay entirely at the state's door but it should not be left entirely to the Church. I should like a better funding partnership. I welcome the hon. Gentleman's invitation and I shall be happy to take it up.

Mr. Crispin Blunt (Reigate) (Con): Chancel repair obligations remain a medieval scandal and a nice little earner for the insurance industry, or a total disaster for the people who find that they are liable for them. There is a terrible degree of uncertainty among the churches where such obligations apply. There have been suggestions that the obligations should end, but the Church Commissioners appear to be running a policy of raising more money through chancel repair obligations, which will mean that more of our constituents become subject to a financial disaster of which they had no knowledge. Will the hon. Gentleman recommend the ending of that obligation?

Sir Stuart Bell: I am grateful to the hon. Gentleman. He raises a matter of which I have no particular personal knowledge, but I will be glad to look into it, to give him a full report and possibly to put it in the Library.

PUBLIC ACCOUNTS COMMISSION

The Chairman of the Public Accounts Commission was asked—

Tiner Report

9. **Mr. Peter Bone** (Wellingborough) (Con): With reference to paragraph 89 of the report of John Tiner on corporate governance arrangements for the National Audit Office, whether the external auditors will be appointed on a rotating basis. [242330]

Mr. Alan Williams (Swansea, West): We agree with John Tiner's recommendation, subject to retaining the requirement that the commission approve the auditors' appointment. The NAO's audit committee will recommend a firm to the NAO board, which will appoint the auditors, subject to the approval of the Public Accounts Commission. The NAO already rotates its auditors—something that concerns the Government—in line with best practice.

Mr. Bone: I am grateful to the right hon. Gentleman for answering the question twice. Would it not have helped if the banks had followed that practice of rotating auditors, as they might not then have got into such a mess?

Mr. Williams: Certainly, that is best practice at the moment, and it is thoroughly recommended. If the banks have not been doing it, it is about time that they started doing it.

Business of the House

11.31 am

Mrs. Theresa May (Maidenhead) (Con): Will the Leader of the House give us the forthcoming business?

The Leader of the House of Commons (Ms Harriet Harman): The business for next week is as follows:

MONDAY 15 DECEMBER—Conclusion of the debate on the Queen's Speech. The economy, pensions and welfare will be debated.

TUESDAY 16 DECEMBER—Estimates (1st Allotted Day). There will be a debate on energy prices, fuel poverty and Ofgem, followed by a debate on dental services. Details will be given in the *Official Report*.

[The details are as follows: Energy prices, Fuel poverty and Ofgem (Eleventh Report from the Business and Enterprise Committee, HC 293; Government response—Seventh special Report HC1069; and further Oral Evidence of 24 and 25 November); and Dental services (Fifth Report from the Health Committee, HC 289; and Government response—Cm 7470).]

At 10 pm the House will be asked to agree all outstanding estimates.

WEDNESDAY 17 DECEMBER—Proceedings on the Consolidated Fund Bill, followed by Third Reading of the Banking Bill, followed by motion to consider the Value Added Tax (Change of Rate) Order 2008, followed by motion to approve a resolution relating to parliamentary pensions. I have tabled that motion today. Copies of the explanatory memorandum and the motion are available from the Vote Office. That will be followed by motions relating to the Electoral Commission.

THURSDAY 18 DECEMBER—Motion on the Christmas recess Adjournment.

The provisional business for the week commencing 12 January will include:

MONDAY 12 JANUARY—Second Reading of the Business Rate Supplements Bill.

TUESDAY 13 JANUARY—Second Reading of the Saving Gateway Accounts Bill.

WEDNESDAY 14 JANUARY—Opposition Day (1st Allotted Day). There will be a debate on an Opposition motion. Subject to be announced.

THURSDAY 15 JANUARY—Topical debate: subject to be announced, followed by a general debate on armed forces personnel.

We expect to have an oral statement on Equitable Life in the week commencing Monday 12 January.

I should like to inform the House that the business in Westminster Hall for January will be:

THURSDAY 15 JANUARY—A debate on the report from the Northern Ireland Affairs Committee entitled "Policing and Criminal Justice in Northern Ireland: the Cost of Policing the Past".

THURSDAY 22 JANUARY—A debate on the Department for Culture, Media and Sport annual report 2008.

THURSDAY 29 JANUARY—A debate on the Inter-Parliamentary Union.

Mrs. May: Before I come on to the forthcoming business, as these are the last business questions before Christmas, may I take the opportunity to wish you, Mr. Speaker, all the staff of the House and all right hon. and hon. Members a very merry Christmas and a happy new year? [HON. MEMBERS: "Hear, hear."]

On the future business, however, I note that the Leader of the House announced a statement on Equitable Life in the first week back after Christmas. Last week, the Prime Minister promised to the House a statement on Equitable Life before Christmas. So will the Prime Minister come to the House to explain why his Chancellor is not doing what the Prime Minister promised the House he would do? Given that the Leader of the House, on numerous occasions, told us that the statement would be given in autumn, perhaps she can explain why this is the first time in living history that autumn has extended into January?

David Taylor (North-West Leicestershire) (Lab/Co-op):Climate change! *[Laughter.]*

Mrs. May: I will give the hon. Gentleman that one.

Following the disclosure yesterday by the chief executive of Ofsted that three children are killed by abuse every week, the Secretary of State for Children, Schools and Families is today due to announce a major shake-up in social services under the children's plan. This announcement is in a written statement. Why has the right hon. Gentleman not come to the House to be questioned by Members on this crucial issue?

When the Government announced approval for two new aircraft carriers in July 2007, the Defence Secretary made an oral statement. Today, when it is widely reported that he is to announce a delay in their approval, the Defence Secretary is making only a written statement, which, I understand, was not even available in the Vote Office or the Library at the start of business questions. That written statement will, of course, prevent Members from asking key questions about the impact on the defence budget, on jobs and on national security. Again, why is the Defence Secretary not making an oral statement to the House?

Yesterday, the Secretary of State for Work and Pensions made an oral statement on welfare reform, but will the Leader of the House explain why, the day before, the right hon. Gentleman released an extract from his statement to the press? That was a blatant disregard of his duty to the House. Will the right hon. and learned Lady reassure us that she will speak to her Cabinet colleagues and tell them that this House takes precedence over the media?

Last year, in the final business questions before Christmas, I asked the Leader of the House to

"commit to a debate on the economic slow-down, and the problems in the banking industry and their effects on the housing market".—[*Official Report*, 13 December 2007; Vol. 469, c. 465.]

She did not give us a debate in Government time then, and she has not given us that debate a year later; the debates on the economy have been chosen by the Opposition. Given that that the pound has now hit its lowest level against the euro and the German Finance Minister has said that the Government's switch to "crass Keynesianism is breathtaking", when will the Government give us a full debate in Government time on the economy?

Yesterday, I had a meeting with representatives of Derby and Nottingham chamber of commerce, who expressed dismay at the Government's announcement this week on home information packs. As the housing

market continues to plummet, the Housing Minister is cancelling provisions that allowed sellers to put their homes on the market before the HIP was completed. Sellers will now have to wait longer and have a raft of paperwork in place before they can even put their home up for sale, which is hardly the way to stimulate our stagnant property market. Can we have an oral statement from the Housing Minister, so that Members can question her on that ridiculous policy?

The Leader of the House recently asked the women's institute to put pressure on local newspapers not to carry advertisements for the sex industry. What a pity that she cannot persuade the Secretary of State for Work and Pensions to join her campaign. A new report shows that Jobcentre Plus advertised 351 vacancies in the adult entertainment industry last year, including adverts for

"topless/semi nude bar staff"

and "nude cleaners". Two jobseekers complained that they were asked to perform sexual services after contacting an employer about a vacancy advertised at Jobcentre Plus. Will the Leader of the House, in her role as Minister for Women, take steps to end this hypocrisy within Government?

Finally, last week at *The House Magazine* "Year ahead in Parliament" conference, when talking about the economy, the right hon. and learned Lady said

"I know what it's like for everyone, stuck in a job with an outrageous boss".

How can she possibly say that about the man who saved the world?

Ms Harman: The right hon. Lady mentioned Equitable Life. I acknowledge that we said that the statement would be ready in the autumn, but it is important to note that the issue has its roots in problems that started in the 1980s. In the summer, there was a substantial report from the ombudsman that needed consideration. We are talking about important issues, and if the Treasury needs to dot the i's and cross the t's, it should do so. Surely it is more important that the report is properly considered before it is brought to the House than for us to have an artificial timetable. The statement will be made in January.

The Secretary of State for Children, Schools and Families has made a number of statements on the children's plan. Issues to do with it were set out in the draft legislative programme, and there have been a number of statements, debates and discussions on it.

The right hon. Lady also mentioned aircraft carriers and the armed forces. There will be a debate on that in the week in which we return from the recess. *[Interruption.]*

The right hon. Lady talked about welfare reform— *[Interruption.]*

Mr. Speaker: Order. The Minister is replying to questions. *[Interruption.]* Order. It ill becomes hon. Members—and right hon. Members, for that matter—to barrack a Minister who is giving a reply in good faith. It should not be done.

Ms Harman: On welfare reform, we make no apology for constantly considering how we can ensure that people who lose their jobs are helped into work as quickly as possible, and how we can increase the requirement on people not only to look for a job, but to be prepared to receive support that gets them to a position in which they can get a job. I absolutely agree with the right hon. Lady that there is no way that jobcentres should be used as places in which to advertise jobs in sexual services, lap-dancing jobs, and jobs in sex encounter establishments. I raised the issue with the Secretary of State for Work and Pensions, and he is reviewing the situation. We do not want any of those sorts of jobs in our jobcentres.

The right hon. Lady wished the House a merry Christmas. She obviously hoped that there would not be a business statement next week, but I have to disappoint her; there will be a business statement next week, so she can repeat her Christmas greetings then.

The right hon. Lady mentioned the economy. There will, of course, be a debate on the economy next Monday. As far as the German Finance Minister is concerned, Germany went into this world economic crisis with higher levels of unemployment and Government debt than us. However, it, too, has sought to recapitalise its banks; it, too, has benefited from a cut in interest rates; and it, too, has provided fiscal stimulus—in its case of €31 billion. It has taken action on its economy, and we have taken action on ours.

As for the man who saved the world, I would rather have Superman than the leader of the right hon. Lady's party, who is the Joker. *[Interruption.]*

Anne Moffat (East Lothian) (Lab): The Opposition obviously did not like that. Wonder Woman does it again.

Seriously, I am sure that my right hon. and learned Friend will join me in congratulating Mr. Ron Cox, one of our Doorkeepers. He is nicknamed "the father of the Doorkeepers" because he is the longest-serving of them. He looks an awful lot younger than he is—I did not believe that he was up for retirement. Will my right hon. and learned Friend join me in putting on record the House's thanks for all his hard work, done in an efficient, professional and pleasant way, and wish him and his family well in his retirement?

Ms Harman: I endorse my hon. Friend's comments, and thank not only Ron Cox, the father of the Doorkeepers, for all his years of service to the House, but all the Doorkeepers and staff who work so hard on behalf of Parliament.

Simon Hughes (North Southwark and Bermondsey) (LD): May I first associate myself with the timely request from the hon. Member for East Lothian (Anne Moffat)? We send our best wishes to Ron Cox, his family and his colleagues.

May I join the strong protests from the right hon. Member for Maidenhead (Mrs. May) on two matters that are quite inexcusable? First, every week, my constituents ask me about the Equitable Life statement, and I am sure that that is the case, too, for other hon. Members. We have told them, "Yes, it has taken too long for the Government to respond to the ombudsman's statement, but there will be a statement before Christmas." Autumn ends on21 December according to the latest definition, but the statement has now been postponed until the new year. Will the Leader of the House relay to the Prime Minister, the Chancellor and to other colleagues that to promise a statement of such importance to so

[Simon Hughes]

many people, but then not to deliver it, undermines confidence in their ability to respond?

Secondly, may I make the strongest protest about the fact that yesterday we had a full day's debate on foreign affairs and defence, but there was no word of an announcement about the aircraft carriers, HMS Queen Elizabeth and HMS Prince of Wales. The Order Paper, however, shows that there is a written statement today, which clearly indicates that there will be a postponement of that aspect of defence procurement. On behalf of many of my right hon. and hon. Friends, and of many people with jobs and job interests in all parts of the country, may I say that it is not acceptable to announce good news on the Floor of the House and bad news later, so we cannot quiz the relevant Minister on the basis of the statement, when it is placed in the Library and the Vote Office?

May I ask the Leader of the House to amend her planning for next week to make sure that the Minister for Trade, Investment and Consumer Affairs appears before the House? On 26 November, there was a credit card summit, at which I gather the Secretary of State for Business, Enterprise and Regulatory Reform and the Minister for Trade, Investment and Consumer Affairs asked credit and store card companies to consider a reduction in the amount of interest that they charge on credit cards. Those charges have gone up in the past 12 months to an average 17.7 per cent., which, for most people who face the prospect of having to buy things at Christmas, is not the right way for them to go—they are far too expensive. There is a meeting today between those companies and the Minister for Trade, Investment and Consumer Affairs, at which the companies will report whether they have heeded the Government's request to cut profits and help consumers. Will the Leader of the House make sure that the Minister comes to the House to answer questions, so we can see whether the Government have persuaded those companies that they have to help consumers?

Next Thursday's business for Westminster Hall is a debate on the report by the Foreign Affairs Committee on human rights around the world, which is very welcome. However, before we break for Christmas, may we have a debate on human rights in this country? May we have a statement from the Home Secretary on what she is going to do about the case of S and Marper, in which the European Court decided that DNA samples from innocent people cannot be kept—many of us have been saying that for a long time—so the Government will have to change their policy? May we have an explanation why my noble Friend Lord Lester of Herne Hill has resigned as the Government's adviser on constitutional affairs, saying that, after a good start, the Government's recent record was "dismal and deeply disappointing", and why the Government persist in wanting to go ahead with identity cards, even though all the evidence is that they are going to be ridiculously expensive and inefficient?

Finally, on the business of the House, will the Leader of the House tell us about any follow-up to the debate on Monday, and whether she has had a conversation with you, Mr. Speaker, or your office, about what is going to happen to the Committee that she, with her colleagues, forced on the House against our understanding of your wishes? I am sure that she knows the figures: only one colleague not in the Labour party voted for her position on Monday, and colleagues from the Labour, Conservative and Liberal Democrat parties, Plaid Cymru, the Scottish National party, Respect and the independent groups voted against her. All but a handful of Labour Ministers were present, but the Government majority was four. If she wants to have the confidence of the House, may we have a new proposal for a Committee, as Mr. Speaker recommended, and may we have it soon?

Ms Harman: The hon. Gentleman returned to the question raised by the shadow Leader of the House about Equitable Life. During the course of business questions in earlier months, I tried to give a sense of timing with regard to when this important statement would come before the House. If hon. Members think that that raised expectations and was insufficiently specific, I could have said, "This statement will come before the House when it is ready," but I was trying to be helpful. It is in that spirit that I say that I hope that there will be an oral statement next week, but we are trying to be as helpful as possible, and the House will recognise that this is a big issue. There is a big report to be considered and we cannot be that specific about when it will be available, but we will try to give as much indication as possible.

As far as defence procurement is concerned, work is under way on the aircraft carriers that have been procured, and that work will be carried forward. It is important that Government policy is that public procurement, whether in housing, transport or defence, is brought forward, because many jobs depend on it.

The hon. Gentleman asked about consumer affairs and credit cards. I have said that there will be a debate on Monday on the economy, but we had Business, Enterprise and Regulatory Reform questions just this morning, when he could have put those questions to Ministers. We know that those issues are important, and that they should be kept before the House, which should be given an opportunity to hear from Ministers as regularly as possible.

The hon. Gentleman mentioned human rights and the European court case that dealt with the retention of DNA. I have two things to say about that. First, I find it ironic that other hon. Members—not the hon. Gentleman—protest about the violation of human rights, but would abolish the Human Rights Act. That is inconsistent. The hon. Gentleman does not share that inconsistency, but if one of his constituents were the victim of crime, they would want the police to be able to find the offender and bring them to justice. DNA evidence is vital in ensuring that the police can find people, especially in cases of rape and other sexual offences. It means that offenders who would have escaped justice are brought before the courts and punished. DNA records are very important in the detection and investigation of crime, but we will, of course, consider the implications of the European court judgment for our policy. When we have considered it, if we have anything to say, no doubt we will say it.

On the question of the search of the House in relation to the hon. Member for Ashford (Damian Green), the hon. Member for North Southwark and Bermondsey (Simon Hughes) will know that the Public Administration Committee is looking into the question of leaks, and

the Cabinet Secretary has appeared before that Committee. He made it absolutely clear that he will not comment on any issues that are the subject of a police investigation, and that is rightly the case. The Home Affairs Committee will look into the police search of the House, but when I gave evidence to that Committee the day before yesterday, I suggested that it should not put itself in the position—especially as it is the Home Affairs Committee—of carrying out the same investigation as the police. Progress on the Speaker's Committee, which was the subject of a motion of the House on Monday, is a matter for the Speaker.

Keith Vaz (Leicester, East) (Lab): Will the Leader of the House join me in welcoming the decision of the England cricket team to return to India for the test series? Could we have some parliamentary time to look at the implications of what happened in Mumbai for the fight against global terrorism? Will she confirm that there will be a ministerial visit to India at the earliest opportunity? So far, no British Minister has visited, and it is important to show solidarity with a country that is so close to ours.

Ms Harman: I welcome my right hon. Friend's welcome of the England cricket team's visit to India. Ministers in our Foreign Office have been highly active, working with their colleagues in the Indian Government and the Pakistan Government. Everybody shares the huge concern and grief for those who lost their lives and were badly injured in Mumbai, and remembers that Pakistan suffered with the Marriott hotel explosion. Not only have our Ministers been active in supporting the Indian and Pakistan Governments fight against terrorism—we hope that they work together in that endeavour—but they have been working with the Pakistan and Indian community here. We will continue to be active in international work to tackle terrorism.

Mr. Michael Ancram (Devizes) (Con): The Leader of the House will be aware that in the foreign affairs and defence debate yesterday, concern was expressed on both sides of the House about what is happening in Afghanistan. Unfortunately, given the length and breadth of the debate, we were not able to deal with that subject in the depth that it deserves. She will also be aware that a review of future strategy on Afghanistan is taking place in the United States at the moment. Will she arrange for the Prime Minister to come to this House to make a statement on future policy in Afghanistan, and provide a full day for a debate on Afghanistan where the House can fully explore, in depth, the concerns that exist?

Ms Harman: I take the points that the right hon. and learned Gentleman has made, and I will raise those with the Prime Minister and the Secretaries of State for Defence and for Foreign Affairs. We recognise that those on both sides of the House want to debate our involvement of Afghanistan and hear from Ministers about it.

Anne Snelgrove (South Swindon) (Lab): The House will be aware that Holocaust memorial day takes place on 27 January next year. The theme for that day is "stand up to hatred". It is very timely, given the Europ[illegible] and local elections held later in the year. This ye[illegible] right hon. and learned Friend allowed the House a debate on Holocaust memorial day that was supported by all parties. It was an excellent debate, and it gave us time to give credit to the work of the Holocaust Educational Trust, among other organisations. Will she consider a similar debate to mark 27 January next year?

Ms Harman: We had an important and valuable debate on Holocaust memorial day this year, and I thank my hon. Friend for raising that point. We will look for another opportunity to debate it next year; we must never forget these important issues.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): May we have an early debate on the written statement made last week by the Financial Secretary to the Treasury on the closure of Her Majesty's Revenue and Customs offices? As I explained to the House in a point of order yesterday, his statement indicated that the Lerwick office in my constituency would be retained, and that it was not part of the review. At the time when that statement was made, HMRC management were arranging to remove the last of its staff, so we might have an office that is open with nobody working in it. I do not question for a second the good faith of the Financial Secretary, who is a man of integrity who is respected on both sides of the House, but it is clear to me that elements in HMRC management do not feel accountable to anyone. We need to make them accountable, and an early debate in this place would be an important start to that process.

Ms Harman: If I may, I will ask the Financial Secretary to the Treasury to write to the hon. Gentleman about the Lerwick HMRC office.

Mr. Jim Devine (Livingston) (Lab): Can we have a debate in Government time to look at the behaviour of the management of the *Sunday Herald*, *The Herald* and the *Evening Times*? Those are quality campaigning newspapers in Scotland, and this time last week, 240 journalists were brought into a room and summarily dismissed. Bizarrely, they were given 90 days' notice, and then even more bizarrely, they were told to reapply for far fewer jobs. That is totally unacceptable behaviour and shows the need to look at trade union legislation again.

Ms Harman: I am sure that the journalists and staff at those newspapers will have the solid support of my hon. Friend and their trade union. Their management will no doubt have heard the points that he has raised and reflect on the fact that there is support on this side of the House for those points.

Ann Winterton (Congleton) (Con): The autumn has long since gone but

"Now is the winter of our discontent"

because the Prime Minister reneged on a solemn commitment to the House, which was given in the debate on the Queen's Speech last week, that we would have an Equitable Life statement before Christmas. What are we to say to those of our constituents who are affected, most of whom are elderly and many of whom live on modest means? Indeed, some have already died. When will the Government make a statement to ensure that those people are able to live better in the future, because they have been seriously disadvantaged through no fault of their own?

Ms Harman: No one thinks that this is not a serious issue, and it is because it is a serious and important matter that we wanted to ensure that the Treasury has the time necessary to consider it. On the question of what the hon. Lady should tell her constituents, she should say that the statement will be in January.

Clive Efford (Eltham) (Lab): Many of us have constituents who work for Woolworths. Will the Department for Work and Pensions issue a statement in the near future that gives advice about where those people can go for assistance if they need it, particularly in relation to some of the measures that the Government have recently introduced to help people through these difficult times during the economic downturn? May we have a statement to provide at least some respite to those who have had the worst possible news this side of Christmas?

Ms Harman: I share my hon. Friend's concern for those employed by Woolworths, many of whom have worked there for many years. This has been devastating news for them, and I reassure them that the Government will do everything we possibly can to help them with a difficult situation before Christmas. Jobcentre Plus will be on hand to ensure that they are pointed in the right direction for any training that they might need and towards any vacancies that are available. We will certainly not simply stand by and say that unemployment is a price worth paying and that they can get on their bike. We will give those affected every help possible.

Angus Robertson (Moray) (SNP): What kind of Government will not even come to the House and make an oral statement about serious defence procurement delays? Journalists outside the House were being invited to a briefing at the Ministry of Defence, while the written statement was not even available to Members. That is totally unacceptable. When can we have a debate in Government time about the complete hash that they are making of defence procurement funding arrangements?

Ms Harman: That is not the situation at all; we are pressing forward with important defence procurement. Regarding the enthusiasm for that subject shown by Opposition Members, I say to them that receipts coming into the Treasury are decreasing because of stamp duty and the retail sector is declining, so VAT receipts are decreasing. If defence spending is to be maintained at such a time—we have committed to maintain it—borrowing has to increase. I hope that all of those who want defence procurement to continue will support our decision to allow borrowing to rise.

Mrs. Betty Williams (Conwy) (Lab): Will my right hon. and learned Friend either initiate a debate in the House or consult the appropriate House authorities about an important matter? A few weeks ago, Scope had an event in the Terrace Pavilion. Most of the representatives were wheelchair bound and had to go through a designated smoking area to gain access to that part of the Palace. That is disgraceful and totally unacceptable. Will my right hon. and learned Friend have another look at that so that we show the rest of the country that we practise what we preach?

Ms Harman: I agree with my hon. Friend that it is a serious issue when people who need wheelchair access have to go through a fog of tobacco smoke. Perhaps the shadow Leader of the House, other members of the House of Commons Commission and I can consider that matter.

Sir Michael Spicer (West Worcestershire) (Con): What are the right hon. and learned Lady's plans for the publication of Members' expenses?

Ms Harman: The plans for the publication of Members' expenses are: to ensure that we comply with the laws passed by the House and that the public have the information that they need to reassure them that public money is being spent properly by Members as we do our work; to ensure that there is a redrafted green book; and to ensure that there is better audit and assurance to reassure the public. However, the amount spent on gathering information for the public must be proportionate, and there has to be a sense of balance. The public have the right to know and we must ensure that they have the information they need, but that has to be done at a reasonable and proportionate cost.

Mr. David Clelland (Tyne Bridge) (Lab): Has my right hon. and learned Friend seen the recent report "Carers in Crisis", which shows, notwithstanding the improvements the Government have made, that carers continue to struggle and their true worth continues to be undervalued and under-rewarded? May we have a debate soon on the huge contribution that carers make to our country, as that would provide an opportunity for Ministers to spell out what more they intend to do to ensure that carers are supported properly?

Ms Harman: I will look at finding time for a debate specifically on carers. The increase in the number of people with disabilities and in the number of people aged over 85 means that the issue will only get bigger. Most people want to ensure that their families can provide care, and that is what most families want. We have already taken action on the right to request flexible working for carers, and important services—the local authority health service, voluntary and respite services—support family carers. Providing cash to those who are unable to work as often as they would have been because they are caring is also important. I will consider the points my hon. Friend has raised and see whether we can find an opportunity to debate the matter.

Robert Key (Salisbury) (Con): May we have a statement from the Secretary of State for Culture, Media and Sport early next week on what has gone wrong with the latest Stonehenge project? It is not just a local or regional issue; it is a matter of national and international concern, because the visitor facilities are a national disgrace. Will the right hon. and learned Lady confirm that the Department for Culture, Media and Sport, the Department for Transport and the Treasury are in agreement about the matter, and that the problem lies with one or more of the stakeholder partners in the project who cannot agree a compromise? Alternatively, as the chairman of the National Trust wrote in an article entitled "The neglect of our heritage is shameful" in *The Guardian* on 12 September, is it the case that

"in Britain, nobody gives a damn"?

Ms Harman: It is certainly true that there has been a big focus on Stonehenge, and I know that the hon. Gentleman, as the local Member, has been anxious to

be at the forefront of that. He will know that the stakeholders' group met yesterday. This is a question not of whether Stonehenge will, as a site, be improved, protected and made more accessible, but of where the visitors centre will be, and of knocking heads together to ensure proper agreement. It is not that the Government have been holding back, but that we need to work with all the stakeholders to agree where the visitors centre should be.

Mr. David Chaytor (Bury, North) (Lab): May we have a debate on the role and powers of local authority trading standards services, because as trading conditions get more difficult, the likelihood is that there will be more disputes between consumers and retailers? I shall tell the Leader of the House about the long struggle that my constituent, Mr. James McMahon, has had with the major national company, Everest Windows, to get recompense for a faulty product. It took Mr. McMahon two years to fight his case through the county court. He was eventually vindicated and received compensation, but if trading standards services had had the power to intervene more forcefully in civil cases, all of that time, expense and anxiety could have been avoided to the benefit of the consumer and the retailer.

Ms Harman: In difficult economic times, people want to ensure that their money is well spent and that they get value for money. I will raise my hon. Friend's point with my fellow Ministers.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May we have a debate next week on a motion to refer the matter of the search of the offices of my hon. Friend the Member for Ashford (Damian Green) to the Committee on Standards and Privileges? The Leader of the House knows that the vote on Monday was profoundly unsatisfactory and that the result was distorted by the activities of the Labour Whips. It denied Mr. Speaker the purpose of his statement and kicked the matter into the long grass, where I know that the Leader of the House wants it to be. That is a disgrace and ought to be debated by the House on a motion to refer the matter to the remit of the Committee on Standards and Privileges.

Ms Harman: If a Member wants something to be referred to the Standards and Privileges Committee, and if a motion is introduced to that effect, the Government make time available as soon as possible thereafter so that the House can express a view on whether it wants something to be referred to that Committee.

Dr. Alan Whitehead (Southampton, Test) (Lab): Will my right hon. and learned Friend urgently consider the inclusion of small-scale wind devices and air source heat pump devices in the terms of the general permitted development orders? She may be aware that the orders in respect of other microgeneration were laid last spring, that the devices I mention were excluded and that considerable distress is being caused to manufacturers by the fact that the orders have not yet been laid.

Ms Harman: I will raise that point with the relevant Ministers and ask them to write to my hon. Friend.

Mr. David Heath (Somerton and Frome) (LD): I wonder whether the Leader of the House could find time for the Secretary of State for Transport to come to the House next week to explain the Highways Agency's extraordinary decision to close the A303 entirely for three months early next year. Aside from the west country, I can think of no region of the country where the main arterial route could be closed for a quarter of the year for the convenience of contractors, rather than being operated in the economic, environmental and social interests of the people whom I represent.

Ms Harman: This is just the sort of issue that the hon. Gentleman's regional Committee will want to address. As we will have that new accountability mechanism, he will not need to raise such an issue in business questions; he and his fellow Members who represent the region will be able to get to grips with it with the Highways Agency directly.

Mr. Ian Cawsey (Brigg and Goole) (Lab): My right hon. and learned Friend will be aware of the strong support across the House for the campaign run by the Federation of Small Businesses to "Keep Trade Local". Is she aware of my early-day motion 107, which calls on hon. Members to move on from that and to support the campaign by procuring their Christmas dinner from local shops and retailers in their constituency?

[That this House congratulates the Federation of Small Businesses on their Keep Trade Local campaign; notes that local high streets are increasingly under threat with 2,000 local shops closing each year; believes small businesses form an essential part of local communities and economies; and calls on hon. Members to source their Christmas dinners from small independent retailers in their constituencies in order to support local businesses at this time of economic difficulty.]

Only 29 Members have signed it so far, but, ever optimistic about the great generosity of all hon. Members, will she encourage Members to sign it and to procure their Christmas dinner from local suppliers, thus making it a merry Christmas not just in their households, but in those of our small retailers?

Ms Harman: There are five more days in which to sign early-day motions before the Christmas recess, and hon. Members will be able to take note of the points my hon. Friend raises.

Mr. Andrew Mackay (Bracknell) (Con): I am always anxious to give the Leader of the House the benefit of the doubt, so I accept that she was acting in good faith when she told the House in July, when the ombudsman's report was published, that there would be a statement on Equitable Life in the autumn. I am less able to give the Prime Minister the benefit of the doubt about what he told the House during the debate on the Address:

> "There will be a statement before the House rises at Christmas. I can say to the hon. Gentleman that that will be done. There will be a statement".—[*Official Report*, 3 December 2008; Vol. 485, c. 38.]

That was only a week ago. What has happened in that week? Has the Prime Minister saved the world but lost his grip here?

Ms Harman: What was said then was that there was an expectation—*[Interruption.]* Well, it stands to reason, does it not, that if the statement had been ready, it would have been made, so what was being talked about was a statement that was under preparation? The

[Ms Harman]

preparation has taken a bit longer than anticipated, but I think that Members are going way beyond things if they are asserting that there has somehow been some calculation about the timing and that Ministers are not acting in good faith. All we have been trying to do is give a reasonable estimate of when the statement might be ready, and the latest estimate is that we hope it will be ready in the week of the 15th.

Fiona Mactaggart (Slough) (Lab): The right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) has just asked that the privilege issues relating to the search of the House be referred to the Standards and Privileges Committee. If he moves the motion that the Leader of the House advises, will she ensure that there is an opportunity to amend the motion to ensure that the standards issue inherent in the apparent suborning of a public servant to breach the civil service code is also considered by that Committee?

Ms Harman: The Public Administration Committee and the Select Committee on Home Affairs are both looking into aspects of this. I understand that if there was a reference to standards and privileges, the Speaker would decide whether there should be a reference and a debate would then be held on a motion to the House.

Mr. Gary Streeter (South-West Devon) (Con): On behalf of all colleagues whose constituencies have interests relating to dockyards or shipyards, or substantial defence interests, may I impress upon the Leader of the House that today's written statement by the Secretary of State for Defence announcing a two-year delay in the procuring of both the aircraft carriers, on which thousands of jobs depend, which appears to fly in the face of Government policy to bring forward major spending projects, is completely unacceptable? Has she any idea of the dismay that this is causing thousands of constituents up and down the country? Will she, even at this late stage, bring the Defence Secretary to the Chamber so that we can quiz him about the implications for the jobs of our constituents?

Ms Harman: We are very concerned not only that the right defence equipment should be procured, but that the jobs and skills dependent on it should be secure. The hon. Gentleman may rest assured that with this Government's support for capital expenditure and for public expenditure, we will sustain the capital investment that we have announced. Obviously, that involves a question of phasing, which will depend on the circumstances and on priorities. Unlike the Conservative party's policy, our policy is to make sure that we sustain public investment.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Will the Government consider including in the Bill on political party funding that they announced they would introduce this Session measures to make political parties that receive donations that result from the proceeds of crime return the cash to the people from whom it was stolen? Will the Leader of the House examine the issue?

Ms Harman: There will be an opportunity to consider that when the Political Parties and Elections Bill comes back to the House in the new year.

Mr. Crispin Blunt (Reigate) (Con): I am about to write to the hundreds of Equitable Life policyholders who have written to me about their concerns. Could the right hon. and learned Lady offer me a form of words so that I can explain to them, first, that they will have to spend another Christmas in a state of uncertainty and, secondly, why her promise that there will be a statement in the first week back in January is any better than the Prime Minister's statement of a week ago or than her statement last July that this would be dealt with in the autumn?

May I also emphasise to the Leader of the House that the treatment of today's written statement on defence equipment is disgraceful? May I suggest that she take some advice on the difference between personnel and equipment when she suggests that we will debate this next January?

Ms Harman: The question of defence spending is a question of prioritisation between different sorts of equipment available for our armed forces personnel. Therefore, I was assuming that if Members were to catch the Speaker's eye during the debate that will be held in our first week back, the question of what equipment is available for our armed forces would be within the remit of that debate. I was trying to assist hon. Members by saying that there would be an opportunity to debate these concerns. The hon. Gentleman does not need to patronise me and assume that I do not know the difference between a tank and somebody serving in the Army—I do.

On Equitable Life, I can only say what I have already said; I do not want to repeat it too often, but this was an expectation—*[Interruption.]* There was an expectation of when the statement would be ready, and I tried to assist the House by sharing that expectation with it. Hon. Members should be focused not only on the timing, but on what we are focused on: the substance of ensuring that we get the answer right on Equitable Life.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): May we have a debate on the issues in early-day motion 229, which is about mobile termination rates?

[That this House notes that mobile telephones remain a popular gift for Christmas time, with an estimated one million telephones waiting under the tree this year; but regrets that in spite of this popularity, fixed and mobile customers in the UK will be charged in excess of £3 billion in unnecessary call charges in 2009 due to mobile termination rates; and calls on Ofcom to take immediate action to lower these outdated and unnecessary charges so that consumers can get a better deal from their new mobiles this Christmas.]

This Christmas many of our constituents will receive mobile telephones as presents, but £3 billion of unnecessary call charges will also be under the Christmas tree. May we therefore have a debate to explore those costs and expose the companies responsible, either on the Floor of the House or elsewhere with the Minister for Trade, Investment and Consumer Affairs?

Ms Harman: My hon. Friends in the Department for Business, Enterprise and Regulatory Reform have been looking into the issue to ensure that there is no unfair charging. One of the things that my hon. Friend and others will welcome is the fact that the VAT reduction

of 2½ per cent., which I am afraid Opposition Members have so derided, will help people with their mobile phone bills.

Bob Russell (Colchester) (LD): There is a sense of betrayal on the island of St. Helena at the Government's failure to build an airport, which has been promised for many years. On Monday, there was a written statement, which said that there had been "a pause in negotiations". For "pause" read: the dead hand of the Treasury cancelling the project. May I refer the Leader of the House to early-day motion 175, which is about the airport for the island of St. Helena, an overseas dependency, and reinstating the airport project?

[That this House agrees with the people and government of the island of St Helena that the construction of an airport is crucial for the island's economic future; notes that the British Government has for many years promised that an airport would be constructed, and that plans had reached an advanced stage where the award of a contract to build an airport was imminent; is therefore appalled at the announcement, by means of a Written Statement on 8 December 2008 by the Secretary of State for International Development, that there is now a pause in negotiations over the St Helena airport project which brings it to a halt; believes that the dead hand of the Treasury is responsible for the betrayal of this loyal overseas dependent territory; and calls on the Government to proceed with the award of a contract for the construction of an airport on the island of St Helena without further delay.]

Getting an airport is the only way in which the island and its people can have an economic future.

Ms Harman: The hon. Gentleman will have an opportunity to raise the matter if he seeks to intervene on the relevant Treasury Minister in the debate next Monday.

Mr. Jim Cunningham (Coventry, South) (Lab): Will my right hon. and learned Friend assist the Minister for the West Midlands in securing a meeting between the Coventry MPs and Mr. Adam Crozier, with whom we have been trying to arrange a meeting for many months about the relocation of the sorting office in Coventry to Northampton? The proposed relocation has the potential to cause an industrial dispute and, equally, has generated vast public concern in Coventry.

Ms Harman: I will draw those points to the attention of my hon. Friends the Ministers concerned and ask them to write to my hon. Friend.

Justine Greening (Putney) (Con): May I ask the Leader of the House, as I asked her colleague the Deputy Leader of the House some time ago, to investigate why the Department for Transport seems to be incapable of meeting deadlines for freedom of information requests? I know of at least two outstanding requests that took several months to receive a substantive answer. Today the Department will breach the 40-day maximum limit on internal reviews, and those answers that I have received have been shoddy. Will she investigate the matter and ask the Department why it seems to feel that it is above all guidelines set by the Information Commissioner?

Ms Harman: My hon. Friend the Deputy Leader of the House says that he has been looking into those questions on behalf of the hon. Lady. I will ask that she meet him, so that they can pursue the matter jointly with the Department for Transport.

David Taylor (North-West Leicestershire) (Lab/Co-op): Just over two hours ago, in the most important lottery in central London, 20 hon. Members were successful in the private Members' Bills ballot. Assuming that none of them decides to adopt the excellent draft autism Bill, which the hon. Member for Tiverton and Honiton (Angela Browning) introduced on 7 October, may we have what is by now a long-delayed debate on autism and in particular on improving the local planning and commissioning of services for people with autism? Two thirds of adults with autism say that they do not have access to appropriate services and only one in seven is in work. We need to ensure that they do not have to struggle to access the services that they deserve, so let us have a proper debate.

Ms Harman: This issue could be raised in the six-hour Christmas Adjournment debate. I am sure that hon. Members will have the opportunity to raise the important issues of support services for those with autism and their families on that occasion.

Mr. Julian Brazier (Canterbury) (Con): May I take the Leader of the House back to the plight of the hundreds of small businesses in Britain's ports and the enormous backdated rating demand, which many of them are quite unable to pay? I understand that since I raised the matter last week some informal guidance has been issued saying that they may not have to declare that on their balance sheets. However, all the legal and accounting advice is that the requirement remains. Those businesses will have to close on 1 January unless the Government improve their offer of simply phasing the payments.

Ms Harman: The issue has been raised by a number of hon. Members and is obviously an important one, so I will raise it with Ministers in the Treasury and the Department for Transport.

Mr. Peter Bone (Wellingborough) (Con): My hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) asked the Prime Minister for a "concrete date" for when the Equitable Life statement would be made. The Prime Minister said:

"There will be a statement before the House rises at Christmas. I can say to the hon. Gentleman that that will be done."—[*Official Report*, 3 December 2008; Vol. 485, c. 38.]

If we cannot believe the Prime Minister's word, whose can we believe?

Ms Harman: The point was that at the time he said that, obviously the statement was not ready; otherwise it would already have been before the House. The statement will be ready, we hope, shortly, but the important thing is not only that it comes forward as soon as it is ready, but that the substance is right.

Mr. Nigel Evans (Ribble Valley) (Con): Is it possible to have an early debate on the "Alice in Wonderland" workings of the Child Support Agency? I have a constituent

[Mr. Nigel Evans]

with four children who is separated from her husband. She made a claim from the father, who built up arrears, but when one of the children went to live with the father temporarily while he was doing an education or training course, the father claimed from the mother, who had to pay him. That is absolutely nonsensical. As BT said, "It's good to talk." Is there any chance of the people in the Child Support Agency talking to one another, at least so that the payments that the mother would otherwise have made could be taken out of his arrears?

Ms Harman: The hon. Gentleman should not minimise the important work done through the Child Support Agency. If people have children, they should be responsible for their financial upkeep and should not expect the taxpayer to foot the bill. The Child Support Agency has to deal with complex family circumstances, and he has just illustrated that. The more people there are who do not pay up and have to be chased, the more difficult it is for the CSA to devote its time to sorting out those sensitive and difficult cases. I am sure that the hon. Gentleman and other hon. Members will welcome the fact that the Queen's Speech said that we will introduce a Bill—this was the subject of yesterday's statement by the Secretary of State for Work and Pensions—so that all child support payments will be disregarded in income-related benefits. That means that when parents—usually fathers—pay up, all the money will go to the children.

Sir Nicholas Winterton (Macclesfield) (Con): I received a letter this week with a postscript in the handwriting of the Minister concerned saying that the Government would make a statement to the House on Equitable Life. If the Minister who sent me that letter, which I received 48 hours ago, cannot be accurate, why has there been such a delay in bringing forward a statement from the appropriate Minister? To my mind, that is unacceptable. I do hope that the Leader of the House will accept that the matter is one of deep concern to hon. Members in all parts of the House. This has gone on long enough. The statement should be delivered to the House before Christmas.

Ms Harman: I hear what hon. Members are saying and I know where they are coming from. I understand what the concerns are. We know where we are on this issue, which is that we will hopefully have a statement in the week of 15 January.

Mike Penning (Hemel Hempstead) (Con): Today is the third anniversary of the Buncefield disaster in my constituency and I know that the Leader of the House will not be surprised that I am raising it with her. Today, Lord Newton will conclude his inquiry, which has been conducted behind closed doors. The Department for Work and Pensions has washed its hands of the explosion, yet we still have problems, with people who will never be able to return to their homes and thousands of workers, at this difficult time, with businesses that are just not safe enough to return to. Which Department will take responsibility from today onwards, and may we have a statement from a Minister from whichever Department that happens to be?

Ms Harman: As the hon. Gentleman says, the third report—the major incident report—will be concluded today. The first two have already been published and the Government have responded to them. There is no question of the Government washing their hands of that important incident. We will reflect on the report and take the appropriate action.

Mr. Simon Burns (West Chelmsford) (Con): Next week, will the Leader of the House investigate and make a statement on what seems to be a significant problem relating to the setting up of the regional Select Committees, resulting from the sloppy drafting of an amendment? If she looks at *Hansard* for 12 November, she will see that amendment (a) to her main motion, tabled by the hon. Member for Thurrock (Andrew Mackinlay), inserted the words:

"except that Chairmen of regional select committees shall not be paid."—[*Official Report*, 12 November 2008; Vol. 482, c. 810.]

I understand the intention of that amendment, but because of its sloppy drafting, it means that no hon. Member can be the Chairman of a regional Select Committee—because all hon. Members are paid, as Members of Parliament.

Ms Harman: The intention of the amendment was clear. It means that the Chairs should not be paid for their work as the Chair. It does not refer to their being paid in respect of their work as Members. I do not think that the hon. Gentleman is right to say that it will not be possible for Members to chair those Committees because they would then lose their parliamentary salaries as Members; they will not.

Benefits Uprating

12.30 pm

The Minister for Employment and Welfare Reform (Mr. Tony McNulty): With permission, Mr. Deputy Speaker, I wish to make a statement on benefits uprating, particularly in the context of the Government's commitment to provide real support to people in the current economic climate. I will, as usual, place full details of the uprating in the Vote Office and arrange for the figures to be published in the *Official Report*.

As in previous years, I can confirm that most national insurance benefits will rise by September's retail prices index, which is up by 5 per cent. Most income-related benefits will be uprated by September's Rossi index, which is RPI less housing costs, and is up by 6.3 per cent.

We are not alone in experiencing the shock waves reverberating through the world's economic systems. Effects emanating from the epicentre of the American banking system are being felt around the globe. We believe that when the economic situation is more difficult, people need all the help they can get to deal with the situation. When things get tougher, people need more help, which is why our response to the current climate is twofold.

We are not only focusing on providing immediate support for those who lose their jobs; we are also determined to continue with our radical programme of welfare reform, to ensure that those further away from the labour market are not forgotten, as they have been in the past. As my right hon. Friend the Secretary of State for Work and Pensions made clear yesterday in his statement to the House, we are not going to repeat the mistakes of the past. During the recessions of the '80s and '90s, hundreds of thousands were shuffled on to inactive benefits to keep the unemployment count down. They were trapped there without support, and abandoned. In contrast, we are investing an extra £1.3 billion in helping people to find work now, and we are bringing forward proposals to increase requirements on people the longer they are out of a job, to ensure that they do not fall out of touch with the world of work.

We believe that work is the best welfare, and we are committed to ensuring that everyone has the opportunity to improve their prospects and those of their families. The proposals in our White Paper are based on the simple ideas that no one should be left behind, and that virtually everyone should be required to take up the support that we know works, to help them to prepare for and look for work. But we recognise that, for those who are receiving benefits, we need to uprate the value of this safety net to reflect changes in the cost of living.

We propose, therefore, that most working-age income-related benefits will increase in line with the Rossi index, at 6.3 per cent. This means, for example, that the personal allowance for a single person over the age of 25 will increase from £60.50 a week to £64.30 a week. The amount for a couple will increase from £94.95 to £100.95. Child-related allowances that may be payable in the income-related benefits will be increased in parallel with child tax credit rates by almost 7 per cent., from £52.59 to £56.11. This is essential to ensure that families receiving these benefits see the full value of any increase in child tax credit. We have already announced, in the pre-Budget report that we are bringing forward April's increase in child benefit to January. This will be worth an additional £22, on average, to families. The standard rate of statutory maternity pay and maternity allowance will increase in line with prices by 5 per cent., from £117.18 to £123.06.

In April 2009, incapacity benefit will be uprated by the same index as the employment and support allowance—the Rossi index, instead of the retail prices index—in order to prevent rate differences widening over time. No incapacity benefit customers with age additions will, as we proposed in the welfare reform Green Paper, have their rates frozen. Instead, the cash increase in their overall benefit will be at least half of Rossi, until they are transferred to the employment and support allowance. The additions will therefore be phased out more gradually than previously planned. Incapacity benefit claimants with an age addition, including those formerly on invalidity benefit, will not receive less than £95.15 a week—the same as someone in the support group on contributory employment and support allowance.

In these difficult times, we must also continue our strategy of providing support for all, and more for those who need it most. This means that for older people, as my right hon. Friend the Chancellor announced recently, from April 2009, the basic state pension will increase to £95.25 per week, which is up by £4.55. For couples, the standard rate will rise to £152.30. These increases, against a backdrop of falling inflation, are in line with the highest level of inflation this year—5 per cent.—and represent a real-terms rise in the state pension of 7 per cent. since 1997. And for pensioners on the lowest incomes, from April 2009 we will see the biggest increase in the pension credit guarantee since its introduction in 2003. The standard minimum guarantee will rise from next April by £5.95 a week for single pensioners and £9.10 for couples. That means that from April next year, no single pensioner need live on less than £130 a week, and no couple on less than £198.45 a week. That is an increase of £31 for a single pensioner and £45 for couples since 1997.

This above-earnings increase in the guarantee credit underlines our ongoing determination to tackle pensioner poverty, with 900,000 pensioners lifted out of relatively low income since 1998, after housing costs, and £13 billion more will be spent on pensioners in 2008-09, compared with what would have been spent if we had continued the policies that we inherited in 1997, over half of which is going on the poorest third of pensioners. Tax and benefit changes will mean that the poorest one third of pensioner households will be on average £2,100 a year, or about £40 per week, better off in 2008-09 than under the 1997 system.

But of course, the Government recognise the difficulties that pensioners face when prices increase. That is why, alongside the winter fuel payment, which is worth £200 for those aged 60 to 79 and £300 for those aged 80 or over, this winter there will be additional payments of £50 for those aged 60 to 79 and £100 for households with someone aged 80 and over. This will take the total direct help with fuel costs for pensioners this year to £250 for those aged between 60 and 79 and £400 for those aged 80 or over.

The pre-Budget report also announced additional direct financial support in the form of a £60 payment that will benefit not just pensioners, but all the estimated 15 million people who receive the Christmas bonus.

[Mr. Tony McNulty]

This will take the total value of the Christmas bonus this year to £70, and is equivalent to bringing forward the uprating of the state pension from April 2009 to January 2009.

All these measures demonstrate the Government's commitment to supporting pensioners, just as we are also committed to increasing the support on offer for those of working age. Our new proposals for lone parents and disabled people, for partners and for those facing multiple barriers to work, build on the steps that we have taken over the past 10 years to bring the advantages of an active, responsive welfare state to all those who can benefit. Today's uprating continues our progress towards a fair and inclusive society that offers opportunity and independence for all. It reinforces our commitments to tackle poverty and exclusion and to ensure security in retirement. I commend this statement to the House.

Mr. Nigel Waterson (Eastbourne) (Con): I begin by thanking the Minister for his usual courtesy in letting me have sight of his statement in advance.

The Conservatives support the uprating of benefits. Anything that will help hard-pressed individuals and families at this difficult time is welcome, especially as this Government's own policies have contributed so much to the economic downturn and to its likely duration and severity. Every day brings new job losses, including the extremely bad news from Woolworths only yesterday. Will the Minister share with the House his projections for unemployment levels over the next 12 months? I also wonder whether he has an up-to-date figure for the amounts paid out by his Department due to fraud and error. On welfare reform, the Minister knows that he will have our support, if the Government are really serious about tackling these hugely important issues.

We welcome the increase in the state pension, which will then be worth, as we have heard, £95.25 a week and £152.30 for a couple. Perhaps the Minister will join me in pointing out to the leader of the Liberal Democrats that it is not £30 a week. Will the Minister tell us exactly when the Government intend to restore the link with earnings for the state pension?

We know that £5 billion of benefits go unclaimed by pensioners every year, so what are the Government doing to increase take-up? About 40 per cent. of those entitled to council tax benefit do not claim it, and 1.8 million are not claiming pension credit. Will the Minister restore the boosting of take-up as a departmental priority? The Government's decision to reduce the period of backdating from 12 to three months for pension credit claims suggests that they are more interested in saving money than in increasing take-up. Will the Minister confirm that at least 110,000 pensioners will be adversely affected by that change, and that they will tend to be older pensioners?

There are already 2.5 million pensioners living in poverty in this country, so how are the Government going to tackle that disgraceful state of affairs? We naturally welcome the extra £60 and so forth, but does that really tackle the problems faced daily by our older citizens? Help the Aged describes the pre-Budget report as

"a truly skinflint package for the UK's older citizens. The chilling message from the Chancellor is 'keep struggling'".

Age Concern said of the same report that it

"will still leave many of the oldest and poorest pensioners...paying the price for the economic downturn."

Falling interest rates may be popular with some people—indeed, with many people—but there is one section of the population for whom they are really bad news. Does the Minister recognise that many pensioners are facing real hardship because their hard-won savings are now attracting very low interest? Now there is talk about interest rates reaching even zero. We are talking about people who have done the right thing, and what successive Governments told them to do: they saved during their working lives so that their savings could supplement their income in retirement. To add insult to injury, those with modest savings are assumed to earn 10 per cent. on their savings when it comes to eligibility for pension credit. In these times of falling interest rates, that is surely total nonsense. I am sure that pensioners would love to get 10 per cent. on their savings, but in Brown's bankrupt Britain, that idea is pure fantasy. Will the Minister please undertake to approach the Treasury as a matter of urgency to right this wrong?

Will the Minister confirm that he is wholly confident that the new personal accounts system will begin on schedule in 2012, and that it will definitely come in at or below a 0.5 per cent. cost base? Is he confident that the crucial issue of the relationship with means-tested benefits will be addressed in good time so that we do not have hundreds of thousands of people who are no better off, or worse off, as a result of being auto-enrolled into personal accounts?

Will the right hon. Gentleman tell the House what the Government intend to do in respect of deregulatory measures to encourage defined-benefit provision? Is there an intention to add any such measures to the welfare reform Bill?

This Government have presided over the closure of more than 70,000 occupational pension schemes since 1997, yet we know such schemes are likely to provide a significantly more comfortable retirement than personal accounts ever will? Why have the Government given up on final salary schemes?

The Prime Minister may think that he is saving the world, but is it not high time he got round to repairing our broken society?

Mr. McNulty: I will ignore the politicking in the hon. Gentleman's comments, as I usually do—not least his last throwaway point about a broken society, which is, of course, absolute nonsense, but I do not have time to go into that now. I thank the hon. Gentleman for his usual courtesies, and for broadly supporting the uprating. Let me deal in turn with some of the points that he raised.

I have said, until I am—I was going to say "blue in the face", and I shall stick to that, as I do not know what the Labour equivalent is. I have said until I am blue in the face that I am not Mystic Meg, and that it is not my job to forecast what unemployment may or may not be as the months progress. Rather, it is my job to ensure that Jobcentre Plus and all other aspects of the Department for Work and Pensions' offer are there for people when they need them—sometimes before and sometimes after they lose their jobs. The hon. Gentleman will know that we look into what we can or cannot do on an almost monthly basis.

I take the hon. Gentleman's point about Woolworths, but let us be clear that it is not closing down shops and losing jobs at the moment. There has been an apparent lack of success with the administrator. Since Woolworths first went into administration, we are, and have been, talking with Deloitte and we stand ready to help as much as we can on a regional and local basis if the worst prevails—but it has not, yet. As I said some weeks ago when the news was first announced, we should not discount the 27,000 jobs that are currently in the mix.

I also take very seriously the hon. Gentleman's point about fraud and error. Notwithstanding the fact that losses due to those two have gone down by about £100 million over the last period, some £2.6 billion remains variously attributable to them. About one third is caused by customer error, one third by benefit error on the DWP side, and one third by fraud. I welcome all the help and support that the hon. Gentleman and local agencies of whatever persuasion can make to drive that down.

With the best will in the world, I am not going to get into the issues around the fixation of the right hon. Member for Sheffield, Hallam (Mr. Clegg) with the figure 30. That is not my business at all.

I do not think that the points made by the hon. Member for Eastbourne (Mr. Waterson) about the link between pensions and earnings stand up to much scrutiny. Current rates and increases are significantly better than they would be by simply establishing the link—but I think that the hon. Gentleman would concede that the link was broken by the last Conservative Government rather than by any other.

The hon. Gentleman's points about take-up were well made. He may not have noticed, but we have made that absolutely central to what I am trying to achieve with colleagues on London child poverty. Take-up is part of that process, and boosting it is one of the quickest ways of dealing with poverty, whether at child or pensioner level: it helps to restore the balance and get people back on the path out of poverty. I welcome the hon. Gentleman's support in that regard.

I also take seriously the broad point about pensioners and savings, and I will happily raise the issue with my right hon. Friend the Minister for Pensions and the Ageing Society, and report back with her to the Treasury about the House's concerns. I would also say that pensioners in receipt of pension credit who find that their capital has decreased should report the changes to the Pension Service, which will be able to reassess their claim. That may be a shorter-term point, but the hon. Gentleman cannot get away with the notion that somehow, tariff income rules have only just been imposed by this Government. They have always been linked with income-related benefits, and pension credit disregard of savings of up to £6,000—and £10,000 for those in care homes—are still very real. The vast majority of pensioners who get pension credit—about 80 per cent.—have savings of £6,000 or less and do not have tariff income applied, but I am not belittling the point. I have said clearly that I will take the matter back to my right hon. Friend the Minister for Pensions and the Ageing Society and to the Treasury because we can and should look further into the current circumstances for savers—both for pensioners and more generally.

Paul Rowen (Rochdale) (LD): I, too, thank the Minister for sight of his statement. There are more than 500 people currently employed in the Woolworths office in Rochdale, which I understand from yesterday's newspapers will be closing. What steps is the Minister's Department taking to assist those people, with more than 70 losing their jobs last week in Castleton, for example?

We are pleased to see from the welfare reform White Paper that the Government are moving towards our policy of having a single working-age benefit in future. Although the Minister was unable to tell us the amount lost in fraud, we believe that the position will be improved by moving to such a benefit. I understand that more than £6 billion was lost last year.

The right hon. Gentleman mentioned the additional £1.3 billion for next year. How will that be spent by the Department? As he is not sure about rising unemployment, how does he think that that will pan out? If there is a need for additional resources, how will they be found?

We welcome and support increases in pension and benefits. However, we are disappointed that the right hon. Gentleman has again refused to link earnings to pensions. What will happen next year, when there may well be negative inflation, and the value of the pension will continue to be less than it was in 1950? Does he not think that now is the right time to restore that link?

The Minister should be aware that the carers allowance stops completely if anyone earns above £95 a week. Carers have the worst of all worlds. The allowance is not an income replacement, but it is an active barrier to carers being able to work. In the current economic circumstances, why has he not at least introduced a taper—but does he not accept that it would be better to have a meaningful increase of the carers allowance?

With regard to take-up, we remain concerned about the 1.8 million eligible pensioners who do not claim pension credit. The Minister must have some data now. Will he explain what has happened to the number of people claiming pension credit, in the light of the three-month backdating limit? Does he not accept that in the current economic climate, that is making life very difficult for pensioners who fall behind with their rent, for example?

Does the Minister have plans to extend the winter fuel payment to people who claim the higher rate mobility component of the disability living allowance? I am sure he would agree that that reflects the fact that their movement is limited and they have to spend more time indoors. What about people with severely disabled children, and the terminally ill?

Mr. McNulty: On Woolworths, let me be clear that we have a rapid support service located in every region and district. Where there are large redundancies—defined as those involving more than 20 people—the service will engage directly and locally with Woolworths when the jobs are under threat. As I said, we are, and have been, talking to the administrator at a national level. As and when that follows through in each region and locality, the hon. Gentleman can be assured that Jobcentre Plus will work alongside the rapid response service. Where the problem is larger and has a more distinct impact on a region or area, we will grow the service response as well. He will know that we have quadrupled, from £3 million to £12 million, the central co-ordinating costs for the rapid support service.

[Mr. McNulty]

On the hon. Gentleman's point about the White Paper, I welcome what he says about the single benefit. We think that it is the right direction to take. However, given his genuine concern for carers, he may know that one thing buried in the White Paper is the fact that we are taking the carers allowance out of the path to a single benefit. There were concerns in the caring community that putting carers on a single benefit akin to jobseeker's allowance would undermine what they saw as a strong job that well supported the members of their family who needed that care. We are looking at that whole notion again.

I thought that I had made it clear—I am sorry if I did not—that fraud accounts for about one third of the £2.6 billion currently lost through fraud and error. Customer error also accounts for about one third of that, as does DWP jobcentre error. We need to do all we can—I think that this will be a consensual point across the House—to eradicate that fraud and error. Much is being done. We are at least going in the right direction, but quite slowly.

The hon. Gentleman makes a perfectly valid point about the £1.3 billion. We will in due course announce how that is to be broken down, but a central part of it will be for Jobcentre Plus, given the circumstances, and some will be for employment services and intervention. We will make those announcements as soon as we can, and I will ensure that he knows when that happens. The only significant spend from that thus far has been in connection with the 60,000 additional jobs that we committed to Jobcentre Plus in the PBR.

To be fair, I do not think I said that I was not aware that unemployment might rise. Again, that is a point of consensus, whether we like it or not. It is not my job to make forecasts. The hon. Gentleman will know that forecasts are made on a daily basis, with various degrees of legitimacy and cogency, by any number of people, some of whom probably should set up a little tent and call themselves Mystic Meg. However, I shall not do that.

I take cognisance of the hon. Gentleman's general point about welcoming the uprating. Given the time, I will happily get back to him on the smaller points of detail at another stage.

Mrs. Ann Cryer (Keighley) (Lab): Perhaps I ought to declare an interest, in that I am a pensioner.

On behalf of my many constituents who are in receipt of benefits, I appreciate my right hon. Friend's statement. Is he aware that in parts of Yorkshire, certainly in west Yorkshire where I live, we have had an awful winter—although I am not blaming him for that? The winter fuel allowance of £250 for those between 60 and 79 and £400 for those over 80 is much appreciated, but that money will quickly go if the weather of the past week or two continues into the new year. Will there be a supplement later if the severe weather continues in Scotland and the north of England?

The comments of the Secretary of State for Work and Pensions yesterday about single parents are related to those of my right hon. Friend the Minister. Most single parents are not single parents by choice. That situation is visited upon them by a husband—usually—who has left. I am sure that those single parents would prefer to be in work, training, or further or higher education, but especially if they have more than one child, they can do that, only if there is adequate provision of day nurseries. Will the Minister assure me that day nurseries will be provided in every area where they may be needed?

Mr. McNulty: I am grateful to my hon. Friend for not blaming me for the weather. I am grateful, too, that she welcomes the uprating. I can no sooner forecast the weather, or the bitterness or otherwise of the winter in west Yorkshire, than I can the unemployment trends for forthcoming years—but I am sure that all services, not simply on the benefits side, will look at that problem as it affects vulnerable elderly people.

I take my hon. Friend's point about lone parents. I am not in the business of demonising lone parents in the shameful way in which others have done and continue to do. However, we think it is right that, at the core of the welfare reform White Paper outlined yesterday, we afford them all the support and help they can possibly have. Notwithstanding what she says about barriers such as child care, as my right hon. Friend the Secretary of State for Work and Pensions said, no lone parent will be forced into a job, however appropriate, if child care is not available.

The hon. Member for Rochdale (Paul Rowen) asked about negative inflation. We enshrined a 2.5 per cent. floor in the Pensions Act 2008, so if inflation goes down to zero, as some anticipate, there will always be at least that 2.5 per cent. I am sorry I forgot to say that earlier.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): As the Minister knows, I fully support in principle the welfare reforms that his right hon. Friend the Secretary of State announced yesterday to which he himself has referred today, but on the assumption that they would save money rather than cost money. Can he clarify that point? Outside the House, he and his colleagues have suggested that the reforms will, on balance, save the taxpayer money, but in the House yesterday the Secretary of State said that the reckless borrowing in the pre-Budget report—he was quoting a Conservative Member—was necessary because

"it allocated an extra £1 billion and this White Paper allocates still further money."—[*Official Report*, 10 December 2008; Vol.485, c. 541.]

The Minister said today that that further money would amount to £1.3 billion. Will he tell us whether the programme will cost money and require extra borrowing, or save money and reduce the borrowing and the cost to the taxpayer?

Mr. McNulty: I know that the right hon. Gentleman has been consistent in his support for welfare reform, albeit, as he has said, in the context of saving rather than otherwise. We believe that not only the welfare reform proposals but all that we are seeking to do will, on balance—his words, not mine—be cost-neutral. We have said, however, that at least during the interim period, when savings can be made we want to work closely with local authorities to come up with flexibilities that will enable them to respond to the requirements of their areas. Not all the savings will be brought into the centre in the first instance.

In the broader context of all that the Department is seeking to do, as I have announced and others have announced previously, there will be an additional £1.3 billion because of the economic downturn—and that is £1.3 billion that could not be counted on as an absolute if the policies of the right hon. Gentleman's party were pursued. My right hon. Friend the Secretary of State made that point yesterday.

Hywel Williams (Caernarfon) (PC): We are indeed experiencing difficult times when even the greatest financial institutions in the land are happy to take Government loans on very acceptable terms. Meanwhile, some of the very poorest people are taking money at the door at annual percentage rates of 100 per cent., or even several thousand per cent. Has the Minister reviewed the operation of the social fund in connection with both the money that is available and the stringent conditions that are applied?

Mr. McNulty: I believe that an informal consultation paper reviewing the operation of the social fund was published yesterday along with the White Paper, but if it was not, it will be published very shortly. As my right hon. Friend the Secretary of State said yesterday, we want it to become much more community-focused and responsive, and, if possible—and eventually, we hope, on a national basis—to have credit unions at its core. I am aware of the hon. Gentleman's interest in this topic, and I accept the broad sweep of his perspective on it. I invite him to read the consultation paper and present us with his comments.

Mr. Peter Bone (Wellingborough) (Con): I welcome the Minister's statement. Unfortunately, there have been a series of redundancies in my constituency. When I met a group of people who had been made redundant this week, they reported that the local Jobcentre Plus simply could not cope and they were being referred to telephone numbers. While I welcome the uprating, I wonder what advice the Minister can give people who are finding it difficult to obtain benefits in certain parts of the country.

Mr. McNulty: Obviously I do not know the details of the case, or cases, raised by the hon. Gentleman, but I can say that people who have been redundant and want to claim benefits are finding increasingly that the telephone is the first point of contact enabling them to establish their claims and get the process running, so I would not be so dismissive of telephone numbers.

I made it very clear the other week—on the Jeremy Vine show, no less—that if people did wish to complain about the service that they had received, I genuinely wished to know about it. I do not want to go around saying that this is a world-class service, although I believe that to be the case. It is certainly a far better service than that provided in the early 1980s, when I was unemployed; in those days people had to run around four or five different buildings before they knew for certain whether they could make a claim. What I want to do is provide a service at local level, because that is what is required.

As the hon. Gentleman will know, we are increasingly using Train to Gain funds and other interventions to work with companies to try to prevent redundancies from occurring in the first place, and, when that cannot be done, to ensure that people know exactly what support they will be offered long before they are faced with the cliff edge of redundancy. For that purpose we need, and are receiving—for which we are grateful—support and intelligence from, for instance, companies, the insolvency administrator—whatever that is—and trade unions on a region-by-region basis. The earlier the intervention, the earlier we can tailor the appropriate response from Jobcentre Plus.

Christopher Fraser (South-West Norfolk) (Con): Can the Minister answer the specific question asked by my hon. Friend the Member for Eastbourne (Mr. Waterson) about the Department's decision to reduce the time limit for pensioners to backdate their pension credit, housing benefit and council tax benefit from 12 to three months? Does he accept that older pensioners are more likely to be affected by the proposed change, and can he explain why a decision was made which will cause endless extra poverty to people who are in difficult circumstances at this time of year?

Mr. McNulty: I am sorry that I failed to deal with that question when it was first asked. The change is part of a wider package to increase take-up and make claiming simpler, and we believe that it will benefit thousands. It is not about saving money, but about targeting people in the most effective way possible. I do not doubt that the hon. Gentleman's concerns and those of the hon. Member for Eastbourne (Mr. Waterson) are genuine, and I should be happy to pursue the matter with both of them outside the Chamber, but we genuinely believe that this measure is not about saving for the sake of it. As I have said, it is part of a wider package to increase take-up and make the claiming process simpler.

Points of Order

1.6 pm

Mrs. Theresa May (Maidenhead) (Con): On a point of order, Mr. Deputy Speaker. I wonder whether you have received any indication that the Prime Minister intends to come to the House to correct the statement that he made on 3 December about the Government's response to the report on Equitable Life. He was quite specific last week, when he said:

"There will be a statement before the House rises at Christmas. I can say to the hon. Gentleman that that will be done...There will be a statement before the House rises this Christmas."—[*Official Report*, 3 December 2008; vol. 485, c. 38.]

We learnt this morning that the statement would not be made until January, but I and other Members have written to constituents telling them that there would be a statement before Christmas, on the back of what the Prime Minister said.

We have been misled by the Prime Minister's statement, Mr. Deputy Speaker. Will the Prime Minister now come to the House to correct his statement, or ensure that the Chancellor comes to the House before Christmas and makes a statement on Equitable Life as promised?

Simon Hughes (North Southwark and Bermondsey) (LD): Further to that point of order, Mr. Deputy Speaker. The right hon. Member for Maidenhead (Mrs. May) and I have raised this matter persistently. If neither the Prime Minister nor the Chancellor feels able to come to the House and respond to the specific question asked by the right hon. Lady, can we at least have an apology and an explanation? We have had neither today. All we have had is an announcement that a statement will not be made by the date by which we were told that one would be made. There may be a good reason for that, although it is difficult to understand how the Prime Minister could be confident last week but cannot be confident this week. However, surely the House and our constituents deserve at least some factual explanation of why a statement made last week has been undermined and contradicted by a ministerial statement made this afternoon.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Further to that point of order, Mr. Deputy Speaker. This is not the first occasion on which the Prime Minister has made a statement in the House which he has subsequently failed to correct. I hope you agree, Mr. Deputy Speaker, that in this Chamber the spoken word is of the utmost importance, and carries enormous integrity in the context of the respect from the outside community that we all command as parliamentarians. Will you advise me what can be done to ensure that the Prime Minister himself makes an effort to correct the record and to avoid such misrepresentations? If the Prime Minister does not do that, Mr. Deputy Speaker, the possibility will arise that other Members on both sides of the political divide will take the view that if the Prime Minister can make a misrepresentation and get away with it, so can they.

Mr. Deputy Speaker (Sir Michael Lord): Order. I think that hon. Members should choose their words very carefully on this issue. I think that the use of words such as "misrepresentation"—which I ask the hon. Member for North-West Cambridgeshire (Mr. Vara) to withdraw—suggests that an hon. Member, whoever he or she may be, knows what he or she is saying to be wrong when he or she says it. We have no evidence that that is the case in this instance. Perhaps the hon. Gentleman would like to withdraw the word that he used.

Mr. Vara: I will withdraw it, Mr. Deputy Speaker, and use the word "inaccurate" instead.

Mr. Deputy Speaker: I thank the hon. Gentleman.

The Leader of the House gave the House further information today about the proposed statement on Equitable Life. If hon. Members wish the Prime Minister formally to correct the statement that he made last week, I suggest that they table parliamentary questions. Let me add that I have no doubt that Ministers have heard the points of order raised today, and I also have no doubt that the Prime Minister will respond if he feels it appropriate.

Dr. Liam Fox (Woodspring) (Con): On a point of order, Mr. Deputy Speaker. As you might have heard, there is bad news today for our armed forces and defence industry, with delays in major procurement programmes, including our aircraft carriers, the Navy tanker programme and future Army vehicles. There is, therefore, huge uncertainty about jobs at what is a very difficult economic time. When Ministers made previous announcements about these programmes, they were all too happy to do so by oral statement to the House, yet today, when it is bad news, we get a written statement with no opportunity for Members to ask the questions that matter. Have you, Mr. Deputy Speaker, had any requests for an oral statement on these very important and worrying matters? It is in stark contrast to the courage expected of our armed forces that the Ministers who represent them are too afraid to come to the Commons to explain and defend their own incompetence.

Dr. Julian Lewis (New Forest, East) (Con): Further to that point of order, Mr. Deputy Speaker. At business questions, we witnessed the spectacle of the Leader of the House doing her level best to answer the substance of questions on the statement that was issued in the form of a written statement, but failing dismally to explain to the House why an oral statement was not being made. Can you, Mr. Deputy Speaker, tell us whether there is any reason, from the point of view of Mr. Speaker's office, as to why that statement could not have been an oral statement?

Several hon. Members *rose*—

Mr. Deputy Speaker: Order. I think I understand the point that Members are seeking to make. Mr. Speaker has made it very clear that on all important issues on which the House will have a view, statements must be made to this House. Whether they are oral or written statements is entirely a matter for the Department and Ministers concerned. That is not a matter for the Chair, but I repeat that Government Front Benchers will have heard the comments, which are on the record.

Several hon. Members *rose*—

Mr. Deputy Speaker: I will not deal any further with the same point of order.

Mr. Gary Streeter (South-West Devon) (Con): On a point of order, Mr. Deputy Speaker. I seek your guidance. When a Minister comes before the House to deliver an oral statement relating to a piece of procurement and gives the House an opportunity to question them on the announcement, if there is subsequently a delay in, or cancellation of, that procurement is there not a convention that the Minister should return to the House to give another oral statement? Otherwise, is that not unfair?

Mr. Deputy Speaker: I think we are covering the same ground again.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I shall take more points of order only if they are about entirely separate matters.

Mark Pritchard (The Wrekin) (Con): On a point of order, Mr. Deputy Speaker. The defence training review is the largest private finance initiative in British history, worth £11 billion—indeed, the costs have increased in the last six months to £12 billion. I seek your advice, Mr. Deputy Speaker, because in today's *Financial Times* it was announced that Land Securities Trillium, one of the major backers of the defence training review package, has pulled out of the project altogether. This has major implications for the future training of our armed forces not only in the short term, but in the medium to long term. Is it not a disgrace that, yet again, the Government have chosen to leak this information to the *Financial Times* rather than bring it to the Floor of the House?

Mr. Deputy Speaker: I can only repeat that Mr. Speaker considers it extremely important that all important matters on which this House should have a view should be brought before the House, but I am sure the hon. Gentleman will find ways to pursue these matters himself, and the points he has made are on the record.

Mr. Peter Bone (Wellingborough) (Con): On a point of order, Mr. Deputy Speaker. I was listed to have a question today for the Minister of State, Department for Business, Enterprise and Regulatory Reform. Yesterday, however, my question was removed from the Order Paper. It was very similar to Question 1, which was accepted, because it concerned small businesses and banks. I see no logic in why my question was removed, and I ask for your advice and assistance.

Mr. Deputy Speaker: The Chair plays no part in how such questions are dealt with.

Mr. Mark Harper (Forest of Dean) (Con): On a point of order, Mr. Deputy Speaker. I seek your guidance on the topic of matters that are deemed relevant to particular debates. At this morning's business questions, the Leader of the House said that on 15 January there will be a debate on defence personnel, and that it will be in order to raise during that debate matters to do with defence procurement; she said she was sure it would be in order. I remember from previous defence debates, however, that when Members tried to raise detailed questions of procurement in personnel debates, the Chair ruled that they were not in order. I seek your guidance, Mr. Deputy Speaker, as to whether what the Leader of the House said this morning was accurate.

Mr. Deputy Speaker: The scope of the debate is entirely a matter for the Chair on the day of the debate, and I think that that can probably safely be left until then.

Dr. Andrew Murrison (Westbury) (Con): On a point of order, Mr. Deputy Speaker. I seek your guidance on what we are to make of Secretaries of State who attend the House to make a contribution when on the same day we see in the press leaks of a very significant nature that have to do with vital national interests. Further to the point made by my hon. Friend the Member for The Wrekin (Mark Pritchard), is it not a disgrace that such matters should be gleaned from the press without this House having the opportunity to quiz the relevant Minister adequately and fully?

Mr. Deputy Speaker: I honestly do not think I can say anything more to the House about that than I have already said.

Debate on the Address

[5TH DAY]

Debate resumed (Order, 10 December)

Question again proposed,

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament

Health and Education

1.16 pm

Mr. Andrew Lansley (South Cambridgeshire) (Con): I beg to move,

As an Amendment to the Address, at end add 'but regret the absence of measures in the Gracious Speech to deliver reforms which would make public services genuinely accountable to patients and parents; believe that the measures proposed offer no prospect of raising long-term productivity or value for money in public services; object to the absence of measures to reduce bureaucracy; regret the failure to abolish centrally-dictated targets and support public services focused on outcomes; note the lack of commitment to improve public health and outcomes to reduce health inequalities; regret the failure to provide patients with meaningful information to improve local accountability; deplore the failure to bring forward proposals on social care; further regret the lack of measures to break the link between poverty and educational achievement and to raise standards in literacy; call for proposals to tackle the United Kingdom's declining position in international education league tables and to give pupils in state schools the opportunity to sit the best examinations; note the lack of proposals to ensure higher standards of child protection; further regret the absence of measures to reverse the decline of science and to make schools accountable to parents rather than bureaucrats; and seek long-term reform of public services rather than short-term palliatives.'.

Mr. Deputy Speaker (Sir Michael Lord): I tell the House that Mr. Speaker has selected the amendment in the name of the Leader of the Opposition. Interestingly, in his speech last Wednesday at the commencement of these debates, the Prime Minister sought to upstage the Queen's Speech itself. It was not hard to do; we knew the Queen's Speech would be thin, but it turned out to be skeletal. I do not object to having fewer Bills—

Rob Marris (Wolverhampton, South-West) (Lab): Hear, hear!

Mr. Lansley: I am grateful to the hon. Gentleman for that.

Legislative hyperactivity and lack of delivery are the story of this Government—I am now waiting for another "Hear, hear" from the hon. Gentleman—but if the Government propose legislation, one would at least expect that it might be original, purposeful and substantive. On health, the Government's approach is none of those. It is certainly not original.

Almost three years ago, my right hon. Friend the Member for Witney (Mr. Cameron) and I called for an NHS constitution to be established in primary legislation, and the Government are now following our lead, but do their plans have the necessary purpose? The Government's plan is to construct an NHS constitution that, by their own admission, does not extend new legal rights to NHS services. That is astonishing; their consultation states to the public that they are not setting out to create any new legal rights. All the rights or pledges could be provided under existing powers. Even the much-vaunted new legal right to choose can be, and indeed probably will be, established by a direction issued by the Secretary of State under existing legislation. NHS bodies can already be required by direction under existing legislation to comply with any of these rights or pledges, and certainly to have regard to them.

So what does the Government's proposal—the centrepiece of the Queen's Speech so far as health is concerned—achieve? It achieves this: the Prime Minister said he wanted a constitution, so he has to have one. I wonder whether Ministers are even aware of how meaningless their response to the prime ministerial commitment has become. However, I think the public and the people who work in the NHS do know. The consultation issued this summer on the NHS constitution resulted in 1,008 replies to the Department of Health, including just 178 from NHS staff. That is not even one response for each NHS hospital; not even one in 5,000 NHS staff could be bothered to reply.

No doubt Ministers think that silence betokens consent. I do not think so; I think silence means contempt—contempt for the Government, where NHS staff feel that responding to the Government is pointless because they do not listen. In a top-down culture, what price consultation? When gimmicks abound, why should NHS staff have given this particular Government proposal any more credence? We will see whether Ministers listen to consultation. Three weeks ago, another consultation on the pharmacy White Paper ended, with 80,000 responses received. If consultation means anything, the Secretary of State will say this afternoon that the Government will make no changes to the existing GP dispensing arrangements because he has listened to the results of that consultation. I challenge him to do so.

Dr. Ian Gibson (Norwich, North) (Lab): I would be grateful if the hon. Gentleman repeated what he has just said. Did he say that the lack of response indicated consent or contempt?

Mr. Lansley: What I said was that Ministers probably think that silence betokens consent, but in my view silence means contempt—*[Interruption.]* No, I have said it twice, and that is sufficient, even for the purpose of educating the Secretary of State for Children, Schools and Families.

I regret the lack of engagement with the idea of an NHS constitution. My third point is about substance, and there is an opportunity for substance there. We could have had legislation in prospect that would genuinely put the values of the NHS into primary legislation. We could have NHS bodies given greater freedom and autonomy, which the Prime Minister said—before he became Prime Minister—that he favoured. It turns out that he is not remotely interested in giving those freedoms to the NHS.

A constitution could do what constitutions are bound to do—define in statute for NHS bodies, often for the first time, their respective duties and responsibilities, both within the service and towards patients. A constitution could give patients choice, and a voice, after the Government have so disgracefully dismantled any effective statutory voice for patients at a national level. It could also

strengthen the link between inspection and complaints. The Government have just legislated—wrongly—to remove from the new Care Quality Commission responsibility for the consideration of second stage complaints and hand it to the Parliamentary and Health Service Ombudsman. How can the new Care Quality Commission acquire and use intelligence about what is happening in the NHS if it does not have a responsibility to investigate unresolved complaints?

The ombudsman will get £4.6 million, which is less than half the amount of money that is currently being spent by the Healthcare Commission—between £10 million and £11 million—on second stage complaints. The Government blithely assume that the number of second stage complaints going to the ombudsman will be about half the number that currently go to the Healthcare Commission, but there is no basis for that belief. It is at best naive and at worst dangerous. The system is at serious risk, and if that carries on, the NHS will not be the learning organisation that it should be. I urge the Government to reconsider.

The opportunity is there for a health Bill in this Session that could make a real difference. Typically, the Government have failed to take that opportunity. The Secretary of State is pursuing a "do nothing" strategy for the Department of Health—least said, soonest mended. We should not be surprised by that, because before he became Secretary of State he described his approach to his responsibilities. He said, "I just drift along." At least that provides plenty of room for his Under-Secretary, Lord Darzi, to hog the limelight. It is a pity that Lord Darzi has not understood that he is just window dressing for a Government who are chronically incapable of delivering.

I shall give one example. Hon. Members will recall that in October 2007, in anticipation of a general election, Lord Darzi was prevailed on to publish rapidly his interim report. The headline proposal was the Health Innovation Council, which Lord Darzi was to chair. Many people were prevailed on to become members of the council. It was announced that it would spend £100 million on a new health innovation fund—half from the Wellcome Trust and half from the Government. The details of the fund were to be published early in 2008, bids would be sought by the second quarter of 2008 and innovation would, as a consequence, flow throughout the NHS. What happened? The council met, twice, for rather inconclusive discussions; no details of the fund have been published; no bids have been sought; no money has been offered; and nothing has happened. It has all just drifted, again.

Mr. Stewart Jackson (Peterborough) (Con): On the subject of platitudinous Labour soundbites, perhaps my hon. Friend recollects a vintage example of the genre—the 1999 pledge by the former Prime Minister, Tony Blair, that within the following two years everyone would once again be able to see an NHS dentist just by phoning NHS Direct. Does my hon. Friend share my concern that since then 1.2 million of our fellow countrymen and women have lost access to NHS dentistry, including many thousands in my constituency and his?

Mr. Lansley: I am very concerned about that. The House will have an opportunity next Thursday to debate dentistry, but the Government should be ashamed of the current position. As my hon. Friend rightly says, we were promised in 1999 that everyone would have access, but the consequence of the Government's contract is that 1.2 million fewer people have access to dentistry.

The Government also promised that the change in charging for dentistry would be neutral, in the sense that the amount raised through charges would not increase as a proportion of dental expenditure. That did not happen either. The latest figures published by the Government suggest a 14 per cent. increase in dental charges in the latest year alone. That is about £65 million extra from dental charge income. Patients are paying more, fewer have access, and the dental contract is not delivering as it should.

Mr. Lee Scott (Ilford, North) (Con): Does my hon. Friend share my concerns about orthodontic provision? Children have to travel vast distances for such provision and wait up to two and a half years for those services.

Mr. Lansley: My hon. Friend is right. The great bulk of orthodontic work is provided privately, but work for children whose oral health would otherwise be prejudiced is done through the NHS. That is very difficult to access, and can often lead to the circumstances to which my hon. Friend refers. It is important that we ensure that children get good access. I was in a hospital recently and the staff told me about the rising numbers of children with dental caries presenting to hospitals as a consequence of an inability to access NHS dentistry. That will get worse. I do not know whether Ministers are aware of it, but from the coming year many primary care trusts will tell their dentists that they cannot have children-only contracts. So NHS dentistry will be taken away from children whose parents are not accessing NHS dentistry. That is a scandal, and I hope that Ministers will do something about it.

Mr. Kevin Barron (Rother Valley) (Lab): Does the hon. Gentleman think that it is right and proper that dentists should say to parents, "We'll look after your children under the NHS if you take out private insurance with us"? Does he agree that those dentists should be ashamed of blackmailing individuals in that way?

Mr. Lansley: The right hon. Gentleman makes a different point. I am not asking dentists to tell parents that they should be private patients. The point that I am making is that dentists who offer NHS services should not take NHS access away from children if they are already registered with them. That is what will happen. If he is suggesting that we should see the number of children accessing NHS dentistry falling, with all the potential consequences for poor oral health, I would be surprised. That seems contrary to many of the things that I have heard him say in the past.

A central and joint responsibility for both Secretaries of State—and also at the centre of our concerns—is children's health. The Department for Children, Schools and Families is pushing for a child health strategy to be published, but the Department of Health is letting that drift. That will not do. I hope that the Secretary of State for Health will now tell us when he will publish that child health strategy.

Drift will not do either when it comes to the protection of vulnerable children. The Secretary of State for Children, Schools and Families has responded to the latest tragic

[Mr. Lansley]

events in Haringey by announcing a review by Herbert Laming and the establishment of a task force. The Select Committee was told yesterday by Ofsted that three children a week die from abuse or neglect, which is a compelling case for urgent action.

The joint area review of children's services in Haringey illustrated one of the important points with painful clarity:

"the reliance on national and local performance indicators is too great and does not enable understanding of the quality and effectiveness of service provision on the ground."

When we respond, as we must, to the tragic baby P case, I hope that Ministers recognise—and perhaps will use this afternoon to say—that constant structural change and a tick-box, top-down attitude will not do for protecting children. We have to move on from that.

Like other hon. Members present this afternoon, I remember when the then Secretary of State, the right hon. Member for Darlington (Mr. Milburn), responded in the House to Lord Laming's report on the Victoria Climbié inquiry. He announced the creation of children's trusts, even though Lord Laming had not recommended them. That is an example of the Government offering a structural solution that Lord Laming had not asked for. It did a disservice to Lord Laming's report from six years ago to offer a structural response to the problem that he identified.

In his report, Lord Laming stated:

"I am convinced that it is not just structures that are the problem but the skills of the staff that work in them...The single most important change in the future must be the drawing of a clear line of accountability from top to bottom without doubt or ambiguity about who is responsible at every level for the welfare of vulnerable children".

How can it be that, six years later, it took weeks of public pressure in the same borough of Haringey for such accountability to be brought to bear, for the facts to be exposed and for those at the most senior levels to accept responsibility? We must all take responsibility for the fact that things that Lord Laming asked for, and which were understood early in 2003, were clearly not being put into effect culturally in the social work profession and in those services with responsibility for children. It is important that we make sure that that accountability is in place now, and that we recognise the need for improvements in skills.

In 2006, in the absence of Government action in that respect, my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton), set up the Opposition's own commission to look into how to improve the training, recruitment, status and perception of social workers. Its report was published in 2007, and I urge the Government to look at some of the examples that are available, including work done on this side of the House. Instead of starting again from year zero, with another task force and another report that will take a great deal of time to prepare, they should think about how we can do things.

I shall take one example from our report. It suggests that we should recognise that experienced social workers far too often go into hierarchies of management and are not retained on the front line. The report proposes that we should recognise the need for them to be retained in front-line care and that, to make that happen, we should create a structure of consultant social workers.

I urge the Government not to push every issue off to a new review or task force. We need to think—by all means on a cross-party basis—about the things that need to be done now that we know can make a difference in the short term.

The Secretary of State for Children, Schools and Families (Ed Balls): I am grateful to the hon. Gentleman for giving way. For the most part, we have proceeded in this matter in a cross-party way. I am pleased that he recognises the importance of Lord Laming's original report, and that he welcomes the urgent progress report that I have asked Lord Laming to compile. Does the hon. Gentleman think that Lord Laming is the right man to do the progress report?

Mr. Lansley: I do. The right hon. Gentleman may or may not recall that I was vice-chair of the all-party parliamentary group on child health when Lord Laming produced his original report. I had my own debate on child health at the time and did not share some of the concerns expressed in that report. As I have said, that report concentrated on structures and did not focus enough on the importance of skills, leadership and accountability in the social work profession. It discussed those matters, but it has not been acted on sufficiently. I have no difficulty accepting that Lord Laming is capable of finding out why his earlier recommendations in that regard are not being implemented.

My point is that Lord Laming can produce a report, but that does not mean that the things that need to be done will get done. We have to be aware of what needs to be done, and producing reports is not the sole answer.

John Hemming (Birmingham, Yardley) (LD): I met Lord Laming on Monday to discuss the review that he is to undertake. Does the hon. Gentleman share my concern about the narrowness of its terms of reference?

Mr. Lansley: I confess that I have not read the terms of reference of Lord Laming's review, so I shall leave that question to my hon. Friend the Member for Surrey Heath (Michael Gove), who may want to refer to it later.

I return now to the Government's legislative intentions. The Secretary of State for Health announced this week that the Government are going to remove point-of-sale displays for tobacco products. I hold no brief for tobacco—I wish that no one were a smoker—but how can it be legal for a shop to sell cigarettes to adults but illegal for it to put such products on a shelf? What is the point of the Government constantly mandating increasingly alarming labels for cigarette packets—as the Minister of State, the right hon. Member for Bristol, South (Dawn Primarolo), did recently—and then require them to be hidden? How can they say that their proposal is aimed at sales in shops of cigarettes to young people, when we legislated less than two years ago to make it illegal for shops to sell tobacco products to under-18s?

The day before yesterday, the Government claimed that removing displays of cigarettes can reduce smoking prevalence among young people by 10 per cent., but the evidence from other countries shows that similar bans have not had that effect. It is true that smoking prevalence rates among 15 to 19-year-olds in Canada declined after 2002, but that cannot be attributed to the removal of

tobacco displays. The provinces that removed tobacco displays achieved a success rate broadly equal to those that did not, so the ban apparently had no great effect. In Iceland, Government statistics show that the display ban had no impact on the number of 15 to 19-year-olds who smoke—in fact, the proportion rose from 14.4 per cent. to 15.2 per cent.

Many small businesses will be hit by the proposal, and it is simply not good enough to say to them that the Government have the best interests of public health at heart when the evidence to back that up is not there. The Norwegian Department of Health and Care Services said last year that

"there is yet no scientific study published that definitely shows the impact that a ban against public display would have on the number of people who smoke".

Norman Lamb (North Norfolk) (LD): Is the hon. Gentleman aware of the recommendations from the World Health Organisation? It set out six priorities for action to tackle smoking, but none of them refers to the removal of tobacco displays in shops.

Mr. Lansley: Yes, I recall that report, which contained no such reference. If international example and guidance are important, we should listen to them.

No doubt we will have this debate when we discuss the health Bill, but Ministers have had an outing this week on the basis of evidence that has been reported in an uncritical fashion. It is rather important that we in this House base our arguments on the evidence.

Rob Marris: I am listening carefully to the hon. Gentleman. I have not yet made up my mind about the issue, but it strikes me that if a ban on display does not work, sales will not be adversely affected and corner shops will not suffer. If corner shops were to suffer as a result of a ban, the ban would be working in cutting tobacco sales. Which is it?

Mr. Lansley: No, it would raise the question why the ban does not work, because the percentage of illegal sales is already high. If one removes the point of display, there may be an impact not only on costs but on the proportion of sales going through small retailers rather than the illegal trade. I am surprised that the Government are not more concerned about protecting their income. If they want to do something about the issue, we have suggestions. There are things that can be done on enforcement against the illegal trade, which would at least mean that the price of cigarettes would have an impact on smokers, many of whom do not realise what the real cost of tobacco, including duty, would be if they had to pay it. There is much that we can do on nicotine patches, such as ensuring that the right strength of patch is available to help habitual users of tobacco.

There is a lack of practical action when there are things that ought to and can be done to help people facing the risk of unemployment. The Secretary of State for Health knows that rolling out cognitive behaviour therapies, which the Government are committed to do, can and should be achieved across the country, rather than only in certain areas. In 2004, Lord Layard told the Government that we needed 10,000 more cognitive behaviour therapists. The Government are committed to 3,600 but only over the next three years and only in one in seven primary care trusts. Given the current unemployment risks, it must be right for such therapists to be available throughout the country.

We know that the impact of such therapy can be substantial; it can double the rate at which people who lose their employment get back to work. The evidence suggests that an increase of 1 per cent. in unemployment would lead to a 7 per cent. increase in demand for mental health services. We know where the biggest short-term demand for health services will be, but we do not have a strategy to respond to it.

Norman Lamb: Does the hon. Gentleman agree with the Liberal Democrat view that there should be an entitlement within a defined period to access treatment such as CBT, which has been approved by the National Institute for Health and Clinical Excellence as an effective treatment, especially as all the evidence suggests that early access to such treatments has a disproportionate impact on individuals suffering from anxiety or depression?

Mr. Lansley: No, I do not propose to go down that path, which involves simply reintroducing more targets. We need to ensure that capacity is available rather than simply setting targets.

The Government have, of course, set plenty of targets, and I shall remind them of one. In 1997, Labour told us that their plan for the NHS was

"rooting out unnecessary administrative cost".

In 2006, Members will recall—because there was so much argument about it—that the Government proposed to halve the number of primary care trusts from 303 to 152. They told us that it would save the taxpayer £250 million by reducing management costs. What happened? In 2005-06, the management costs of PCTs were £1.09 billion. By 2007-08—only two years later—after reorganisation, the amount rose to £1.178 billion. The costs are not £250 million down, but £88 million up; an extra £333 million has gone into administration, which is not available for the front-line care that Ministers said that it would be used for. It is unbelievable. That is only one example, but there are many others.

Ministers constantly tell us about the importance of the front line, but the resources do not reach it, which is the experience of people right across the NHS. They are constantly told that they have resources, but they do not see the situation in the same way.

Rob Marris: Will the hon. Gentleman give way?

Mr. Lansley: No, I gave way to the hon. Gentleman earlier, and I want to finish my speech, because time does not permit me to go on too long.

Two years ago, my right hon. Friend the Member for Witney (Mr. Cameron) and I said that the Government and the NHS should focus on outcomes, not targets. This summer, Lord Darzi's report endorsed the emphasis on outcomes, but it did not actually get rid of the targets. On Monday, the Secretary of State published the new operating framework and it is still littered with targets. We know what dominates the thinking of NHS managers—the so-called must-do targets, not the outcomes that in reality matter most for patients.

The Conservatives will focus on what we need to achieve the outcomes for the people whom we are here to serve, not on how people in services go about achieving them. Of course, performance management has to follow evidence of effectiveness and benchmarked performance,

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but objective measures such as standardised mortality rates should be mixed with more subjective ones, such as patient experience and self-reported outcomes. All those things should also be benchmarked against the best in the world.

When evidence was published by the Healthcare Commission of the scale of adverse events and harm resulting to patients, it was entirely typical of the Government that their response was, "Well that's all right, it's about the same level as elsewhere in the world." Ministers seem to be prepared to use international benchmarking only when it justifies the level of error in the NHS. They do not use international benchmarking for infections and admit that our MRSA rates are much higher than best practice or that our rates of clostridium difficile can be four times the average for other hospital systems. They do not use international benchmarks to admit that our cancer survival rate is a quarter worse than the best in Europe, that our stroke mortality is a third worse than Germany's or that deaths from lung disease in the UK are two thirds worse than the European average. The NHS should be focused on those issues. That is what is most important, not whether every PCT sets up a Darzi centre.

The Government talk about world-class commissioning. We need world-class services, but we will not get them with a one-size, top-down bureaucratic approach. We will get them through innovation, professionalism, responsiveness to patients and the rigorous application of evidence-based care. Treat the staff of the NHS like drones, and they will behave like drones; trust them like professionals, and they will respond.

The Government have de-professionalised the NHS, which is why they have seen declining productivity year on year. That is why, despite their targets, performance has fallen short. Patient choice has diminished—fewer patients say that they have experienced access to choice—and practice-based commissioning has stalled. Patient experience measures have deteriorated, and the foundation trust programme has not met its 2008 targets. Health inequalities have widened—*[Interruption.]* The Minister of State says that I do not like targets. What is the point of targets if they do not deliver? What was the point of saying that every hospital should be a foundation trust by 2008, when only about half of them are?

The Minister of State may like to recall that back in 2006, Tony Blair described his four drivers for health reform—patient choice, foundation hospitals, independent sector treatment centres and practice-based commissioning. All four have stalled or disappeared from the reform process. The Blairite reforms have gone. What do we have in their place—world-class commissioning? It does not feel world-class yet.

We will not have world-class NHS services unless the Government recognise what is really needed—to trust NHS professionals, to make the service more accountable to patients, with less to top-down bureaucracy, to reinvigorate our public health service and to focus at every level on patient outcomes. We are committed to reforms that would make a real difference to patients and NHS staff. For the Government it is all Darzi or drift; it is about money spent and money wasted; it is all inputs and not enough outputs.

The Queen's Speech is all short-term gimmicks and does not include the long-term reform that our great public services so badly need. The Government have run out of steam—they are out of ideas and out of time. I agree with my right hon. Friend the Member for Witney: bring on the election. I commend the amendment to the House.

1.49 pm

The Secretary of State for Health (Alan Johnson): I welcome this opportunity to debate the measures in Her Majesty's Gracious Speech. The proposals on health set out how we will expand patient choice, enhance quality, protect the health of young people and safeguard the values and principles of the NHS for future generations. The proposals on education will provide new powers to improve standards in schools, provide greater opportunities for young people and improve the local organisation of children's services to make them more responsive and accountable. The child poverty Bill will enshrine in legislation our intention to eradicate child poverty by 2020.

Eleven years ago, the NHS was on its knees, after nearly two decades of neglect and underinvestment. In schools, only 35 per cent. of pupils achieved five or more good GCSEs, including English and maths, and the Conservative Government were preparing to introduce nursery vouchers for early-years provision that was scant and inadequate. Now, we see improved standards, nursery places for all three and four-year-olds, new schools and hospitals, reductions in mortality rates from the three big killers—heart disease, stroke and cancer—and the best ever A-level and GCSE results.

By far the most damaging legacy of the previous Government was long waiting times, which delayed important surgery for many months and even years. By the end of 2008, no patient will need to wait more than 18 weeks from the time that they are referred by their GP for treatment, and the average wait will be no more than eight weeks. It is worth reflecting on the way that that enormous achievement by NHS staff has changed a mindset that became entrenched in the Conservative years. Only recently, a clinician at St. Thomas's was telling me about how, in 1994, her chief consultant took his medical team out to dinner to celebrate the fact that they had reduced the waiting times for hip replacements from five years to three years. The chief medical officer tells of elderly patients in the 1980s seeking to bequeath in their wills their places on the waiting lists to family members, having waited years for a cataract operation. That was the reality of life in the NHS under the Conservative party.

Norman Lamb: I agree that substantial progress has been made on access to treatment, particularly in acute hospitals, but what about mental health? Does the Secretary of State agree that we need to tackle the outrageous waiting times in mental health care as well? People frequently wait more than a year for access to cognitive behaviour therapy. If they have the money, they can pay to go privately. If they have not got the money, they just wait. That must be tackled.

Alan Johnson: That will be tackled. The hon. Gentleman is right to say that there are unacceptable waiting times in mental health care, but I will come on to mental

health in a minute. The leader of the Liberal Democrats described mental health as being in crisis in this country two weeks before the World Health Organisation said that we had the best mental health services in Europe. I will come on to mental health, because I believe that a chunk of time needs to be devoted to it.

Apart from waiting times, there has also been dramatic progress on tackling health care acquired infections. In September, we announced that we had achieved and exceeded our ambitions of reducing MRSA cases by half—achieving a 57 per cent. reduction in three years. In October, we announced that clostridium difficile cases had fallen by 38 per cent. among the over-65s. We have seen dramatic improvements in primary care. GPs see patients for longer—the length of consultations has gone up by 50 per cent.—and the number of consultations per year has risen from around 221 million in 1997 to nearly 300 million this year. Following the agreement reached with the British Medical Association earlier this year, which Opposition Members opposed, 65 per cent. of GP surgeries are now offering additional weekend and evening appointments—again, meeting and then exceeding our ambition, which was to have half of all surgeries opening for longer by the end of the year.

Mr. Edward Leigh (Gainsborough) (Con): Will the Secretary of State forgive me if I do not make a party political point and refer to the future, rather than the past? I am very proud of the fact that we are doing a lot of work with the National Audit Office in trying to raise up the agenda the Department of Health's work on dementia, stroke and end-of-life care. I wonder whether he will say a word about his priorities now that he will address that problem. He has mentioned, of course, his efforts on cancer and heart disease, but dementia, stroke and end-of-life care are very important as well.

Alan Johnson: The hon. Gentleman is, of course, absolutely right. We published our stroke strategy a year ago, in December 2007, and everyone involved, including the non-governmental organisations and the Stroke Association, is very pleased with the progress that has been made. The hon. Gentleman is quite right to mention dementia. It is an important issue, and only a couple of weeks ago, I mentioned in a speech that cancer had a stigma 20 years ago—people did not talk about cancer in polite society—and that that was now the case with dementia. Of course, no one made jokes about cancer, but people make light-hearted references to dementia, which has to stop.

Our dementia strategy, which will be published shortly, will concentrate on raising awareness, removing the stigma and ensuring a better quality of care and much earlier diagnosis. A dementia sufferer usually goes to a GP about seven or eight times before dementia is diagnosed, so a lot needs to be done there as well. We published our strategy on end-of-life care four months ago. Once again, it entails working with the voluntary sector and NGOs to develop the ability to convince people that, if they choose to die at home, support services are available to them and their families to ensure that they will be okay. That is the biggest single reason why families are sometimes reluctant to allow their loved ones to come home.

Angela Browning (Tiverton and Honiton) (Con): Following the NAO reports on dementia and stroke, the Government adopted the strategies that the Secretary of State has discussed, and I am very pleased that they did so. When I have visited stroke units, I have found some excellent work going on. However, a physiotherapist told me that, once the person is discharged, so long as they can get around indoors, they then get virtually nothing at all—they go from very good support to nothing. Stroke victims need continuity of care when they go home. Is the right hon. Gentleman making plans to ensure that that support is provided?

Alan Johnson: The hon. Lady is absolutely right. That is why the strategy focuses on prevention, on what is done immediately someone has a stroke—thrombolysis and so on—and on a better quality of care. As important as all that is, however, as Macmillan has been saying for many years, aftercare back in the community is crucial. It is one of the three central features of the stroke strategy, and we intend to ensure that every aspect of that strategy is implemented.

Jeremy Wright (Rugby and Kenilworth) (Con): May I return the Secretary of State to dementia? He said that the national dementia strategy will be published shortly. As he knows, there are three elements to the welcome work that the Government are doing on dementia: first, there is the national strategy; secondly, there is the research summit; and thirdly, there is the review of anti-psychotic medication. The timetable has slipped quite significantly in relation to all those elements, and he will recognise the concern of all those involved that the urgency originally expressed by the former Minister with responsibility for care services, the present Under-Secretary of State for International Development, the hon. Member for Bury, South (Mr. Lewis) does not appear to have been persisted with, which is a matter of extreme concern. Will the Secretary of State assist us by saying exactly when each of those elements will be available?

Alan Johnson: I believe that the Minister of State, Department of Health, my hon. Friend the Member for Corby (Phil Hope) had a meeting yesterday with the all-party group that the hon. Gentleman chairs. The dementia strategy should be published very shortly—not before Christmas, but very soon in the new year—but getting a day in the grid is the problem. I believe that the review of anti-psychotic treatment will be ready by about the spring—it is on a slightly longer time scale. I am sorry, but I have forgotten the hon. Gentleman's third point.

Jeremy Wright: The Government indicated that the research summit would be held this summer, but that did not happen. I take the opportunity to thank the current Minister with responsibility for care services for coming to the meeting. He explained that all those things will be available shortly, but I simply wonder whether we could have a little more specificity.

Alan Johnson: The hon. Gentleman is seeking a definition of "shortly". The research conference will take place at about the same time as we publish the dementia strategy, so it should take place very early in the new year. I am not trying to be difficult, but the way in which this works is that we have to get our slot in the system, and I hope that we will get a date very soon.

Only two weeks ago, I opened the first GP-led health centre, in Bradford; the second opened on Tuesday, in

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Corby. We were rather disappointed: we expected the Opposition Front-Bench team to be outside with placards, protesting vigorously, along with the BMA, but there was not a single protest. All we had was the local community, absolutely delighted to have that fabulous facility in their community. The centres provide access to primary care services from 8 am to 8 pm every day of the year, including Christmas day. The next year will see 152 such centres open, many of them offering additional services such as podiatry, physiotherapy or speech and language therapy. In addition, many will be able to perform minor operations and offer specialist services to patients with asthma or diabetes who would otherwise have had to go to hospital for treatment.

We are also funding 112 additional GP practices to provide much needed services for under-doctored areas, which, for the most part, have suffered from a chronic shortage of GPs since the NHS began. That is a vital step in tackling health inequalities. There is a clear correlation between limited access to primary care services and poor health.

Mr. David Chaytor (Bury, North) (Lab): On that very point, my right hon. Friend knows that I have invited him to my constituency to open the new Moorgate medical centre. The centre is now open and patients are benefiting from it. It is of enormous value to my constituents, who welcome the investment that paid for it. May I repeat my invitation to him to perform the official opening function in a few weeks' time?

Alan Johnson: I am pleased to hear that. I think my hon. Friend is duty bound to inform the local population that the Conservative party opposes GP-led health centres, saying that they will lead to 1,117 GP practices closing. Have any closed or are any likely to close in his constituency? I expect that experience to be repeated throughout the country.

Mr. Lansley: I suggest that the Secretary of State should indeed go to Bury. As well as seeing the centre that the hon. Member for Bury, North (Mr. Chaytor) mentions, the right hon. Gentleman could take the opportunity to go to Fairfield hospital and shut the maternity services there at the same time.

Alan Johnson: Once again, the Opposition use that tactic. They said in a press release issued in summer 2007 that 29 hospitals were going to close; immediately, 15 of those hospitals pointed out how wrong they were. A hospital that they said was going to lose its accident and emergency department did not even have an A and E department. Then, the Opposition moved to arguing that 1,117 GP practices would close if GP-led health centres opened, because, they said, each centre would have 20 GPs. In fact, the most each centre will have is five. They were wrong on every count.

Mr. Chaytor: Will my right hon. Friend give way?

Alan Johnson: Now, the Opposition are mixing up two separate issues: the reconfiguration of maternity services—which I am sure my hon. Friend will mention when I give way to him—and GP-led health centres.

Mr. Chaytor: My recollection of the shadow Secretary of State's last visit to my constituency is that he was not allowed inside Fairfield hospital to look at the work being done in maternity care—*[Interruption.]* My recollection is that the photo was taken outside the building. The reorganisation of maternity services in Greater Manchester was necessary—

Mr. Lansley: On a point of order, Mr. Deputy Speaker.

Mr. Chaytor: It was necessary because—

Mr. Deputy Speaker (Sir Michael Lord): Order. That is an extremely long intervention—I think that the hon. Gentleman has more than made his point. I call Mr. Andrew Lansley to make his point of order.

Mr. Lansley: I do not want the hon. Member for Bury, North inadvertently to mislead the House, Mr. Deputy Speaker. I have visited Fairfield hospital twice. On the most recent occasion, I had a full visit all the way round the maternity services and a lengthy meeting with clinical staff.

Mr. Deputy Speaker: That is certainly not a point of order for me, but the hon. Gentleman has made his position clear.

Alan Johnson: What my hon. Friend the Member for Bury, North was about to point out is that we have got off second-stage complaints and the health innovation fund and on to the real meat and gravy of health services. The reconfiguration of maternity services in his constituency should have been carried out 40 years ago. Clinicians in the Manchester area say that they have been trying for 40 years to reconfigure maternity services to save babies' lives. The Conservatives, in another failed campaign, have said that there should be a moratorium on closures.

Norman Lamb: The Secretary of State made an important point about dealing with under-doctored areas. It has long been a scandal that the poorest parts of our communities have far fewer doctors than the leafier suburbs—*[Interruption.]* I support what he is doing. However, will he please say what steps are being taken on the minimum practice income guarantee? I know that steps are being taken to eradicate it, so that payments to GP practices are based on need and population, but how long will it take?

Alan Johnson: My right hon. Friend the Secretary of State for Children, Schools and Families was saying that it was worth turning up to learn that the Liberal Democrats also oppose GP-led health centres. The hon. Gentleman asks about the MPIG. This year's deal with the BMA begins the process of eroding the MPIG. We would have liked to have a multi-year deal, but that was not possible; instead, we agreed a one-year deal and we agreed on the principle of eroding the MPIG. If we continue to erode it on the same basis in future years—I see no reason why we would not—the proportion of practices that depend on the guarantee will decrease from about 90 per cent. now to about 20 per cent. in four or five years. That is a very important development and I praise the BMA—I do not praise the hon. Gentleman;

that would be a first—for recognising the fact that, as he says, the MPIG militates against tackling health inequalities.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): On his journey from his Hull constituency to Bury, my right hon. Friend will pass through Huddersfield, where we would love him to open something. However, may I remind him of the disgraceful campaign the Opposition waged in Huddersfield? The Calderdale and Huddersfield NHS Foundation Trust was angered by the time it took to guide their large party around the hospital and by the misleading press release that they issued afterward.

Alan Johnson: My hon. Friend should be gentle with the hon. Member for South Cambridgeshire (Mr. Lansley), who has already had to apologise for something he said earlier this week. If he had to apologise for all the mistakes he has made, he would be at the Dispatch Box for hours and I would never make progress on my speech.

Mr. Chaytor: Before we leave the topic of the reorganisation of maternity services and the development of much stronger community-based maternity services, is not the great irony for the Opposition that, if they had pursued their policy of listening to the medical profession without any interference from primary care trusts, acute trusts or the Department of Health, the changes would have been made many years ago, to the vast benefit of the overwhelming majority of women?

Alan Johnson: It took three attempts, but my hon. Friend has made his point well and eloquently.

As I mentioned earlier, significant improvements have been made to mental health services, in particular community-based and preventive treatment. Since 1997, an additional 740 community-based mental health teams have been introduced, providing early intervention and intensive support; the number of consultant psychiatrists has increased by 64 per cent., the number of clinical psychologists by 71 per cent. and the number of mental health nurses by 21 per cent.

Mrs. Madeleine Moon (Bridgend) (Lab): Does my right hon. Friend agree that one of this Government's great successes has been their suicide prevention strategy, which has cut suicides in England to the lowest level since 1863? Unfortunately, the strategy is due to end in 2010. Will he assure me that the focus will not be removed from suicide prevention and that we will continue to put it at the forefront of our mental health strategy?

Alan Johnson: My hon. Friend makes a good point. I wish that I had not given way, because she has stolen my thunder; that point was in my peroration. I can give her the assurance she seeks. Of course, all these measures take money. Earlier this year, the shadow Secretary of State talked about £28 billion more going into health under the Tories, but we have not heard what will happen. We have not heard whether they would match the spending in 2010-11 that we announced on Monday. I would be interested to hear about that before the end of the debate, because the spending is important, if we are to do all the things that we want to do on mental health and other issues.

Before I gave way, I was going to say, "And the suicide rate has fallen to its lowest level since records began in 1848." That will teach me. One in four people will experience an episode of mental illness at some point in their life. Mental illnesses such as depression are one of the leading causes of disability in this country, and 42 per cent. of people on incapacity benefit are on it because of a mental health problem. Until recently, access to psychological therapy was limited, even though, as the hon. Member for South Cambridgeshire said, it is widely acknowledged as the most effective way of treating mild to moderate depression.

As recently as seven years ago, only 9 per cent. of people with depression or anxiety were offered psychological therapy by the NHS. In October 2007, I announced that there would be a rapid expansion of access. The 13 new psychological therapy pilots that I launched a year ago have treated 17,500 people. This month, 35 primary care trusts launched their services; that is 15 more than we had anticipated. By 2011, we will have recruited 3,600 therapists, who will have helped to treat 900,000 people. Those are just some of the many developments that led the World Health Organisation in October to describe mental health services in this country as the best in Europe. In schools and children's services, there has been similarly dramatic progress.

Rob Marris: Will my right hon. Friend give way?

Alan Johnson: I will make some progress, if my hon. Friend does not mind. There has been a significant expansion in child care and early years education, and greater achievement by pupils at all key stages. More young people than ever before are going on to study at university. Far from variable tuition fees discouraging poorer people from going to university, the social class gap in higher education is narrowing; it grew in the 40 years after the Robbins report. I point that out to my hon. Friend the Member for Norwich, North (Dr. Gibson), who, I remember, engaged in the debates on the issue.

One of the defining moments of this Government came when we pledged to eradicate child poverty by 2020. That has been one of the most important catalysts for improving the life chances for children in this country. In October, the OECD reported that there had been faster growth in income equality in the UK than in any other developed country, and that the poverty rate had fallen well below the international average. It described the achievements in this country as "remarkable". There are now 600,000 fewer children living in relative poverty than when we took office, and the number of children living in absolute poverty has halved, yet we need to do still more. The measures set out in the Gracious Speech will strengthen children's trust boards, so that they can lead on local improvements to services. There will be a Bill to raise standards in schools and improve education and training for 16 to 19-year-olds and enhance the skills of those already in the workplace. We will also introduce a Bill that will convert our pledge to eradicate child poverty altogether by 2020 into a legislative commitment.

On health, we need to adapt to meet new challenges. An ageing population and the prevalence of lifestyle diseases such as obesity bring different pressures on health and on social care. Smoking, poor diet and lack of exercise account for most of the disease burden in

[Alan Johnson]

this country. The next stage review, led by my noble Friend Lord Darzi of Denham, set out how we would ensure that the NHS promotes good health and well-being as effectively as it detects and treats illness.

Rob Marris: On health, a major cost to the NHS is diabetes, and recent research suggests that there may be a link between diabetes and coeliac disease. I am a member of the all-party group on coeliac disease and dermatitis herpetiformis. Will my right hon. Friend, or one of his Ministers, meet the group to discuss the disease, which, as my right hon. Friend will know, has a prevalence of about one in 1,000? With the right diet, the adverse symptoms of that disease are entirely preventable, but coeliac disease goes undiagnosed in many carriers for years, and costs the NHS dear while those people are undiagnosed. That is aside from the devastation to those people's lives. Will he agree to meet the group?

Alan Johnson: My hon. Friend raises an important point about coeliac disease, and of course I, or one of my fellow Ministers, will meet the group. The next stage review set out how the NHS will ensure that it promotes good health and well-being effectively. It also set out how the NHS will further improve quality of care and give patients greater choice.

Mrs. Moon: Will the Secretary of State give way?

Alan Johnson: One more time.

Mrs. Moon: I thank my right hon. Friend for giving way. One of the big problems for people with Parkinson's disease is simple to address. When they are required to go to hospital, they should have access to the same medication that they were taking at home, at the same time as they took it at home. All too often, however, their health deteriorates in hospital because they have to fit in with the nurse's medication rounds, rather than getting medication as and when they need it. Is there any way in which that can be addressed in the current review?

Alan Johnson: The current review is all about the issue of personalised care. It is about how we move away from a regimented system and look at the needs of individuals, not least for the important reasons that my hon. Friend raised. There are many other ways in which a stay in hospital could be much more beneficial if the routine were changed. We are finding that out in an initiative called "The Productive Ward", in which we give nurses and clinicians the ability to organise how the ward works, having listened to the patients on their wards. My hon. Friend makes a profound point.

The health Bill will introduce several measures that will support the implementation of the next stage review, including measures to enable the NHS to explore the potential for personal budgets by piloting direct payments to patients with long-term conditions, and provisions requiring all NHS providers to measure the quality of their services and make that information available to the public. The Bill will also propose several measures to support the health of young people and, in particular, to promote health and well-being. We have already set out a groundbreaking strategy to tackle obesity; it is the first of its kind in the world. An essential component is "Change for Life", the social marketing campaign that brings together community groups, retailers, employers, the media, schools, health services and national and local government to encourage people to lead healthier lives.

We need to do more to tackle smoking, which still accounts for 87,000 premature deaths in England. Two thirds of smokers start before they are 18. I am genuinely perplexed by the approach taken on the issue by both the Conservative and Liberal Democrat Front Benchers—by the "nanny state" allegation from the Liberal Democrats, and by the other criticisms that we have heard today. The hon. Member for South Cambridgeshire started his speech by talking about the importance of consultation. He said that there had been a derisory response on the NHS constitution, but a very big response—86,000 responses—to a consultation on something or other; I forget what it was.

Mr. Lansley: On pharmacy.

Alan Johnson: Yes, pharmacy, on which there will be a report very soon. The response on the smoking issue is the biggest that we have ever had on any consultation. If the hon. Gentleman believes that one should simply follow the result of consultation—that is a rather dangerous belief, if taken to its obvious conclusion—he will support the measure in question. The overwhelming response from 100,000 people consulted was that we should remove tobacco from display.

The hon. Gentleman talked about a lack of evidence, and having evidence-based measures. We have found that in other countries where such a measure has been introduced, smoking has reduced among young people. The number of young smokers in Canada, for instance, was reduced by 32 per cent. among 15 and 19-year-olds as a result of the implementation of the measure. There was a 26 per cent. fall among 15 to 16-year-olds in Iceland. That is why Australia, New Zealand and many other countries are taking that route, and why we must do so, too. We should recognise that a youngster who starts smoking between the ages of 11 and 15 is three times more likely to suffer a premature death than somebody who begins smoking at 20. Given the efforts over the years to reduce the number of smokers, with the figure down to 22 per cent., and given the recognition of what a huge public health issue smoking is, and the fact that it is the biggest health inequalities issue—in manual occupations, 29 per cent. still smoke, compared with the overall figure of 22 per cent.—I am perplexed why responsible politicians in both Opposition parties should oppose the measure. I believe that they will be on their own, without public support, when the measure is introduced.

We will take measures, too, to ban vending machines, which provide only 1 per cent. of the overall cigarette market, but provide 17 per cent. of the cigarettes sold to 11 to 15-year-olds. We will take steps, first, to restrict access to vending machines, but if that does work, we will ban them. The steps that we will take to promote health and well-being will have a significant impact on the health of our society.

The NHS is the proudest achievement of a Labour Government. Massive investment and greatly improved

services mean that in the 60th year of the NHS, the case for a national health service that provides universal health care, free at the point of need, is supported as strongly by the public as it was at its inception. By 2011, investment in the NHS will have trebled. On Monday, I announced an average increase of funding of 5.5 per cent. for primary care trusts over the next two years, representing a £164 billion investment in the NHS over the next two years. That will mean a rise in local spending on health from £426 per person when we came into government in 1997 to the grand total of £1,612 by 2010.

Rob Marris: Say that again.

Alan Johnson: When the Opposition were in government the figure was £426 per person, but under this Government it is £1,612. As a result of extra investment supporting the skills and abilities of its dedicated staff, the NHS has reduced the rate of premature deaths from heart disease by 50 per cent., from stroke by 44 per cent., and from cancer by almost 20 per cent.

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): If that spending was not matched by other political parties, has the Secretary of State made any estimates of the impact on the health and well-being of my constituents and those of many other hon. Members?

Alan Johnson: My hon. Friend is absolutely right. Up to now, the Opposition have sought to suggest that they are as dearly attached to the NHS as the Labour party, abandoning their patient passport scheme, on which every single Opposition Member was elected. They have sought to say that they will invest more. The hon. Member for South Cambridgeshire got into trouble in February for saying that his party would put £28 billion into the NHS. Now we know that it is going to spend less overall and less on public services. We know from the hon. Member for Runnymede and Weybridge (Mr. Hammond), the shadow Chief Secretary to the Treasury, that it will spend less on the NHS. We have not heard it from the lips of the hon. Member for South Cambridgeshire, so I would be perfectly willing to accept an intervention from him, as we need to know whether the Opposition will match our spending in 2010-11. *[Interruption.]* Okay, he does not wish to do so.

The constitution that we published alongside the NHS next stage review set out the key principles and values of the NHS, reaffirming our commitment to a service for all our people, with the finest medical treatment available, based on need, not on wealth. It enshrines the rights and responsibilities of patients and staff, bringing together existing legal rights with pledges and commitments about the standards of service that the NHS will provide. It establishes patients' legal right to choose where they are treated for certain services, and it sets out a patient's right to all NICE-recommended drugs and treatments.

The health Bill will place a legal duty on the NHS, its regulators and any independent or voluntary sector bodies that provide NHS services to have regard to the constitution. It will also commit the Government to renewing the constitution every 10 years. I believe that by building on the solid foundation established over the past 11 years, the NHS constitution and the measures that we have set out in the Gracious Speech will accelerate further progress, improve quality and intensify the focus on prevention. That will further enhance the huge progress made in health and education, and I commend the Gracious Speech to the House.

2.25 pm

Norman Lamb (North Norfolk) (LD): I welcome the opportunity both to reflect on the state of these vital public services and the Government's intentions, and to explain our alternative vision.

This debate coincides with the Healthcare Commission report on the state of health care in the UK. It is right to acknowledge, first, that that report had lots of positive things to say about progress in the national health service. The Secretary of State mentioned that progress has been made on survival rates for heart disease, stroke, and cancer. Survival rates for those serious diseases have improved, which is something that we should all welcome. We should welcome, too, the substantial improvements in access to care, compared with the position 10 or 11 years ago. There has been a dramatic improvement, and it would be churlish to fail to recognise that—

Mr. Simon Burns (West Chelmsford) (Con): But?

Norman Lamb: But the Healthcare Commission drew attention, too, to the fact that there were areas of serious concern. Ian Kennedy, the chair of the Healthcare Commission, focused on patient safety, and I want to concentrate for a few minutes on the area of most significance—child protection, particularly the tragedy involving baby P. Again, it is important again to acknowledge that the Secretary of State for Children, Schools and Families acted commendably fast in recognising the seriousness of the failings and in mapping out a way forward. However, it is also right to say that so far, the emphasis and focus, particularly in the media, have been on the failings of the local authority—and there were many—rather than on the failings of other agencies. I think that there are lessons to be learned, and it is important to reflect on them for a moment, particularly the situation in the local health service, because serious concerns have been raised with me.

I understand that the paediatric service for child protection in the borough was outsourced to Great Ormond Street. I understand that there was a team of four doctors, of whom two have resigned, one has been on special leave for a year, and one is off sick. Given the fundamental importance of that work—I make these comments not in any sense in a partisan way, as we all have a common view of the importance of addressing these issue—that is an alarming situation in itself. Incidentally, if either Secretary of State is unable to respond to these points today, I am happy for them to respond in writing later. What factors have led to this situation? Why has one of the doctors whom I mentioned been on long-term special leave for a year? Is it the case that the primary care trust cut funding for a designated doctor post, and is it the case that the paediatrician who did not recognise the broken back and ribs in the case of baby P was a locum employee?

I have heard concern expressed that when children are brought into St. Ann's hospital in Tottenham as possible victims of abuse, there is a tendency for no information to arrive with the child to put the medical

[Norman Lamb]

team fully in the picture about possible concerns. That relates to the issues of co-ordination and the sharing of information between agencies dealt with in the report released by the Secretary of State for Children, Schools and Families. I understand that when one doctor filled in a critical incident form at that hospital, in relation to another case, he was told not to do so because it would show up poor record keeping. I do not know whether there is any truth in that allegation, but it is a serious matter and it clearly needs to be investigated. What short-term steps have been taken to ensure that there are proper safeguards in place for other vulnerable babies and children in that borough? What are the longer-term lessons for the NHS—as opposed to the local authority, which has had its fair share of attention—particularly with regard to the responsibility and accountability of the clinicians involved?

That takes me to the wider question of child protection. Such tragic cases open up a debate on parenting and on how we can best protect children. The case of baby P is a stark case of failure, but throughout the country, every day, social workers are grappling with the genuinely difficult dilemma of whether to remove a child from their parent or parents and to place them in care. It is massively challenging work, and the last thing we should do is to stigmatise social workers and make that an unattractive profession, thus putting able people off going into it. After such a disaster, there is a risk that policy is shaped in response to it, and that there is a swing of the pendulum into a different approach, which may not itself be right.

I would like to mention the other side of the coin. There are many cases in which there are genuine concerns about the failure of authorities to remove a child who is at risk, but in my constituency I have been dealing with the case of the Webster family, which was covered in the national press last year. They had a little boy who was taken into the Norfolk and Norwich hospital complaining of pain, and it turned out that he had multiple fractures. The child was removed, along with his two siblings, and after a long process the three children were adopted. That family lost their three children. Subsequently, it was proved through further medical evidence that they were innocent, and that there was an innocent explanation for the fractures—a nutrition deficiency. That case is a disaster. It is a disaster in the system and a gross miscarriage of justice for a family to lose their three children when they are innocent. It cannot get much worse than that. My plea is for us to avoid another swing of the pendulum, and to focus instead on ensuring that procedures are exacting, rigorous, thorough and professional, and that we focus on standards of professionalism in social care and in the NHS.

John Hemming: My hon. Friend is well aware that I have been concerned about both false positives and false negatives in the public family law environment. Does he share my concern that it is difficult for parents to get a second, expert opinion because they require the permission of the judge, which is often refused in family court proceedings?

Norman Lamb: I share that concern, and because it is so fundamentally important that we get such decisions right, the opportunity for a second opinion ought to exist in all cases. Had it been available in the Webster case, we might have avoided the miscarriage of justice that subsequently ensued. If we focus on standards of professionalism in reaching the right judgment, we stand the best chance of avoiding those dreadful miscarriages of justice, and of ensuring that children who are genuinely at risk are protected and withdrawn from their parents, if necessary. There should be no rush to put children into care, but the right decision, based on absolute professionalism, must be made.

Sure Start is one of the Government's genuine successes. The WAVE Trust is a good organisation, which has been influential in guiding Government policy development—I believe that it has engaged with all parties. It focuses on the first three years of a child's life, recognising the importance of getting things right in those years. It concentrates on parenting and ensures that children avoid adverse, damaging experiences that can affect their life chances, including their future health. The right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) and the hon. Member for Nottingham, North (Mr. Allen) produced a good pamphlet, which focuses on the importance of investing in the first three years of life.

A recent article in *The Lancet* on a research report shows that Sure Start has started to make a difference. We should acknowledge that and recognise that it has been a positive policy move. However, an article by Rachel Sylvester in *The Times* earlier this week warns that there are signs that the approach in children's centres and in Sure Start is moving away from parenting skills and towards education. I hope that the Secretary of State for Children, Schools and Families, if he is listening, will ensure that the focus on parenting in children's centres, which has been so valuable and, according to the research, shows success, is maintained and not lost.

I want to deal with the Government's proposals for a national health service constitution. It is hard to object to the warm words and aspirations in the proposed constitution, but the Government must answer the key question of whether it will make a difference. Ten years down the line, will patients be able to say, "Ah, we're being treated better because of that NHS constitution"? Does it tackle the key challenges that face a publicly funded health system?

Greg Mulholland (Leeds, North-West) (LD): First, the draft constitution specifically precludes discrimination on the basis of race, gender, disability, religion or sexual orientation, but not of age. How can that be right? Secondly, we all agree that the divide between health and social care can be a problem. Should we therefore also consider the possibility of a social care constitution, so as not to entrench that divide further?

Norman Lamb: I would prefer something that encapsulates both, and acknowledges that there is an artificial divide between health and social care, which is often damaging to the care that an individual experiences.

Dr. Gibson: The equality Bill is to deal with the first point that the hon. Member for Leeds, North-West (Greg Mulholland) made. We do not know until we see the detail, but the Government are well versed in the need to ensure that age is included in anti-discrimination proposals.

Norman Lamb: I welcome the equality Bill, but one has to ask why age has been left out of the list of discrimination that the NHS constitution seeks to tackle. We all know that age discrimination happens in the NHS. There is clear discrimination in mental health services: for example, elderly people who suffer from depression and anxiety do not have access to cognitive behavioural therapy. My hon. Friend the Member for Leeds, North-West (Greg Mulholland) is right that we should deal with discrimination based on age as well as that based on other matters.

The amendment encapsulates the priorities that we should address, although I do not believe that the Conservative programme tackles them properly or effectively. They include quality of care and outcomes, on which it is right to focus, as well as accountability. Sadly, the Conservative approach—establishing an independent national quango—would reduce rather than increase accountability, but the amendment is right to refer to it. It also mentions the need to tackle bureaucracy, to ensure value for money, to have a renewed focus on public health—the area that has so often suffered when the finances have got tight—and to tackle health inequalities.

Earlier this year, a King's Fund report said:

"If the NHS constitution did not confer any legally enforceable rights or guarantees it would, similar to the Patients' Charter"—

that was the thing that the Conservatives came up with—

"before it, be seen as a political device that simply raises expectations, which then cannot be met. Indeed it would hardly be worthy of being called a constitution."

That identifies the real risk of this document, which is that it will raise expectations. People will assume that it will deliver something to them that is not being delivered, but ultimately it will amount to motherhood and apple pie, and there will be no extra delivery.

Will there be any legally enforceable rights or entitlements within this constitution? It seems that there will not be; the sanctions for breaching the NHS constitution do not appear anywhere. Trusts will have to "have regard to" things—that wonderful legal phraseology means, of course, absolutely nothing, because one can be acting entirely within the legal framework if one has regard to something and then entirely ignores it. *[Interruption.]* I shall ignore the abuse from the hon. Member for Wolverhampton, South-West (Rob Marris), which is so uncharacteristic. The proposals contain a reference to the responsibilities of patients, but what does it amount to? There is no substance to it.

What about the issue of missed appointments? Missed appointments cause the NHS enormous additional costs, and many are avoidable. We can do a lot to reduce the number of missed appointments, by using technology and sending text messages, emails and so on—but should we not be considering the idea of charging people, where appropriate? We should recognise that some people's condition means that they may be unreliable—*[Interruption.]* Well, there was a great intake of breath from the hon. Member for Bury, North (Mr. Chaytor), but if we are talking about responsibilities, where are they set out? They appear to be entirely nebulous. If we are not talking about responsibilities in any meaningful sense, we should not even use the word.

Mr. Chaytor: Does the hon. Gentleman not realise that in most general practitioner practices and in most hospitals the normal practice would be, as it is in other areas of our public and commercial life, to overbook the number of appointments in the first place? That happens with aeroplanes, trains, coaches and MPs' surgeries; that is how one deals with this. Does he not also realise that many people who miss appointments do not do so wilfully? Such people miss appointments because of varied and complex pressures in their personal life, and fining them for missing an appointment would be too extreme.

Norman Lamb: I made the point that there would be many circumstances in which such an approach would be inappropriate, but we should consider having such a power, and run pilot schemes. The hon. Gentleman raises the point about a system of overbooking, but if he were to talk to any GP or hospital clinician, he would find that there is a massive problem with missed appointments. If we are having to deal with delivering health services in a much tighter financial situation, we must examine ways of saving wasted costs, and this is one area that we should examine. The main point I am making is that if the constitution talks about responsibilities, those must be genuine responsibilities. If they are not, we ought not even to refer to them, because the concept is meaningless.

The King's Fund also discusses whether the constitution will endure and whether it will be vulnerable to change by successive Governments for political reasons, suggesting that if it is to have any real value, it ought to be a document that does endure, and cannot simply be changed on a whim by successive Governments. However, the constitution appears to contain no mechanism to prevent that from happening, which is also a criticism. It says nothing, either, about continuing health care or the funding of people with complex needs, which is surely a critical aspect of health care. If the constitution fails to address that at all, it is surely weak. The idea of having second opinions in child care cases has been mentioned, but the constitution says nothing about the right to a second opinion either. That, too, should be addressed.

Let me turn to smoking. We all agree that action should be taken to enable people to give up smoking and to warn people, particularly youngsters, of the risks of taking it up. There is clear evidence that a proportion of young people buy their cigarettes from vending machines, so we readily support action to clamp down on the sale of tobacco from vending machines. Indeed, we might need to go further than the Government have proposed, so as to avoid any risk of youngsters below the legal age buying tobacco in that way.

However, the Government's case on displaying tobacco is not as good. The Conservative spokesman, the hon. Member for South Cambridgeshire (Mr. Lansley), referred to the risks of misinterpreting the statistics, but it was fascinating to read that the real price of cigarettes in Canada increased by 159 per cent. between 1979 and 1991. That led to the teenage smoking rate falling from 42 to 16 per cent., which clearly shows a direct link between price and teenage smoking rates. We know that price has an effect, but there has been no proposal on price. Canada cut the tax in 1994, because of concerns about smuggled cigarettes, and the real price fell by a third. That led to the teenage smoking rate increasing, from 16 to 20 per cent. We know that price is a relevant factor—it was referred to by the World Health Organisation—yet the Government have made no proposals on price.

[Norman Lamb]

We advocate other measures. We should establish a criminal offence of supplying tobacco to an under-age smoker. The Government appear to be flunking that one and have not come forward with any proposals. It is a criminal offence to buy alcohol in order to supply it to an under-age drinker, but why is it not a criminal offence to supply tobacco in the same way?

As for smuggled tobacco, the current statistics show that one in six cigarettes purchased in this country has been smuggled, as has 50 per cent. of the rolling tobacco. A recent article in the *European Journal of Public Health* highlighted the link between smuggled tobacco and deprived communities, saying:

"the people with the highest likelihood of having bought smuggled tobacco…are…heavier smokers with higher levels of addiction, living in socially deprived areas and with low educational attainment."

People in deprived communities are obtaining their tobacco across the table in the pub or at the front door, yet we are talking about removing displays from shops—a controlled environment, after all—which will do very little to address health inequalities.

Mr. Leigh: The hon. Gentleman and I represent similar rural constituencies. Although I have absolutely no brief for the tobacco industry, what worries me about the proposals is the fate of village shops. Does he think that one way round would be to have the ban, but to exempt small village shops and corner shops?

Norman Lamb: That is certainly an option. I share the hon. Gentleman's concern that village shops are under enormous pressure already. Many are teetering on the brink—indeed, many have already closed—and any further loss of income could tip them into closure. That is something that we should all be concerned about.

I understand that it is already the practice in many areas for shops to sell smuggled tobacco under the counter. The hon. Member for Norwich, North (Dr. Gibson) has confirmed that he is aware of the practice, and I have heard of it happening in Haringey. If that is true, then removing the display of legally sold cigarettes in shops will only open the door to a vastly greater risk of smuggled tobacco being sold under the counter. How on earth can that be policed? This is one of those cases in which the law of unintended consequences might well apply.

I also want to mention smoking cessation, because there appears to be little evidence that the steps that the Government are taking having any real effect. At the moment, under the quality and outcomes framework—QOF—system, GPs get paid for mentioning smoking cessation to their patients and for telling them to suggest a date by which they could have given up. That is it; they get the payment just for doing that. There is no requirement to demonstrate success in the strategy of encouraging their patients to give up; they get the payment simply for mentioning it. In California, however, under the Kaiser Permanente insurance scheme, there is a much more intensive focus on counselling, on prevention, on mechanisms to encourage people to give up smoking, on smoking cessation programmes and on nicotine replacement therapy. Within that community of insured people in California, the smoking rate has been reduced from 18 per cent. to 9 per cent. It has been halved, and people benefit much more from that intensive approach.

Rather than taking a nanny state approach, or, as the hon. Member for Gainsborough (Mr. Leigh) has pointed out, taking steps that could push small village shops into closure, we should do things that are effective in helping people, and which will actually facilitate their giving up smoking.

Rob Marris: Does the hon. Gentleman agree that it is nonsense that in the European Union—of which the United Kingdom is a member state—there are still subsidies for tobacco producers? That is crazy.

Norman Lamb: I absolutely agree with that. It is remarkable that that still occurs in this day and age. This is why international action on such issues, and on finding much more effective ways of tackling tobacco smuggling, must be a real priority.

I shall finish by addressing some of the things that the Queen's Speech does not deal with. It is a massive challenge to make the NHS secure, sustainable and more effective, particularly in tackling the very poor provision of care for elderly people, at a time when we are seeing rapidly rising costs in our health system. Costs are rising because of lifestyle conditions such as obesity and alcohol abuse, and also because of the dramatically ageing population and the availability of new medicines. Costs are also rising at a time when the likelihood of sustained real-terms increases in funding is surely at an end. The Secretary of State mentioned a real-terms increase for the forthcoming year, but that provision is likely to end in 2010-11, after which the position will become much more difficult. The state of the world economy, and the impact that that is having on this country, will surely mean that focusing on ensuring that our health system is sustainable must be our highest priority. Unless we can get better value for money, we will surely be heading for a crash.

The Secretary of State said that the Darzi review pointed to a direction in which prevention became the real priority, but simply stating that it is a priority, without providing any real mechanisms to make it happen, will not result in any meaningful change. Our approach involves dismantling the wasteful, secretive, central bureaucracy and creating real accountability and financial responsibility locally. It also involves getting the finances working—we are talking about spending about £100 billion a year—to achieve the objectives that we all want to see: prevention, better self-care and better health for our citizens. As Derek Wanless said when he made the case for increasing spending on the NHS, our health system will be sustainable in the long term only if we are much more effective at helping people to care for themselves and to improve their health. So far, we have failed to achieve any meaningful change.

There has been a massive increase in funds for the health service, but the increase has been particularly at the acute end—for repair services. Meanwhile, community care and social care have been under intense pressure. Over the years of funding increases, the NHS has had five times the increase in funding that social care has had—without any explanation as to why that should be the case. Yet if we get our preventive services right, we will reduce pressure on acute services.

Thirdly, then, we must surely look at ways of integrating health and social care. The silo approach that we have is crazy: the patient does not understand the difference

between health and social care, yet the system divides up care and budgets according to those dividing lines. We must ensure that we get better integrated care. We need to reflect on areas such as Torbay, where health and social care have been brought together at a service level, in order to avoid the crisis admissions to hospital that are so costly for the NHS.

Fourthly, we must ensure that we have more effective use of funds in our acute hospitals. At the moment, without good enough commissioning of care from our primary care trusts, the payment by results tariff is sucking money through the system. With social care under intense pressure, as I have said, many acute hospitals are making surpluses. Surely that is crazy.

The NHS needs to be better at adopting innovation. I want to refer specifically to photodynamic therapy, in which I know the hon. Member for Norwich, North (Dr. Gibson) has shown some interest. Pioneered at University College hospital, London, this is a cancer therapy that avoids invasive surgery and means that the patient may be able to leave hospital within two days of treatment. It has been shown to be effective with many cancers and it has the potential to be effective with many more cancers. It was recommended for further analysis in the cancer strategy a year ago, yet a year later, that further analysis has not even started.

If photodynamic therapy realises its potential, it will be massively cheaper to the NHS than invasive surgery, chemotherapy and radiotherapy. Patients who have the good fortune to end up in UCH—if they have head or neck cancer, for example—will benefit enormously from this therapy. However, one of my constituents contacted me to ask why he was never told about the possible availability of photodynamic therapy. Surely these innovations going on in our hospitals should be spread around the country much more effectively.

Finally, it is important to put more power in the hands of patients, so that they can vote with their feet—empowered with information and support to make the right decisions about their care. The Secretary of State referred to the pilots for developing personal budgets. We support them, but we believe that they should go further, as they have enormous potential to give patients real power and put them in charge of determining what their priorities are, particularly when they are suffering from long-term chronic conditions.

So far, very little of the public debate has been about how to avoid the crash, with massively increasing costs at a time when no more money will be made available. It is always the most vulnerable who are affected if we fall into crisis. That has been the case in the past with long waiting times, and it will be the case in the future unless we get it right. Surely the Government have to start mapping out a way forward to make better use of the available £100 billion to invest in preventive services, to keep people healthy and to ensure that the NHS is sustainable in the future.

2.59 pm

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): It is a pleasure to be called to speak in this important debate.

Sometimes we on the Back Benches wish that there were a curb on Front-Bench speeches. The hon. Member for North Norfolk (Norman Lamb) spoke for 35 minutes. I almost lost the will to live. I say that because half of the debate time today has been taken up by Front-Bench spokesmen. No wonder the Chamber is so sparsely attended on an important debate on education and health, when Back Benchers turn up and have to wait so long to make a short contribution. It is disappointing sometimes to see the way in which those on the Back Benches are treated. I make that as a general point, Madam Deputy Speaker. You know that I can get irritable, because a long time ago you were one of my students and knew that I was an irritable lecturer. However, I will get on with my speech and try to make it reasonably lively.

Twenty years ago, we had the Education Reform Act 1988, which most of us associate with the person who is now Lord Baker. Some important reforms were introduced: testing and assessment, which is taken very seriously, the national curriculum, and the inspection service. The Select Committee on Children, Schools and Families, which I have the privilege to chair, is going through them. We have conducted a major inquiry on testing and assessment, have come to the end of an inquiry into the national curriculum, and are going to take a thorough look at inspection. In a sense, I always try to use the Queen's Speech debate to say what is happening in terms of the progress that we have made over the past 20 years. Too often in the Chamber we make party political points against one another, but if we took a more historical view, we would see that we agree on quite a lot of issues—but not all of them. We fundamentally disagree on some of them, and I shall come back to that.

It is part of a Select Committee's job to attempt to establish the value for taxpayers' money and the progress that is made over a longer period. It is with great interest that we look at this Queen's Speech. It is quite thin, but it does include a portmanteau education Bill. There is an awful lot in it to do with education: from training and apprenticeships to the reform of the Qualifications and Curriculum Authority; measures to promote equality; the introduction of primary legislation to enshrine the child poverty targets for 2020; and the general aim to help families and businesses. I make no apology for concentrating on families and children in my remarks.

The newish Select Committee that I chair is different. Being Chairman of a Select Committee was a simpler task in the past because the Chairman called one Department to account. The responsibility is much more complex with children, schools and families, which I am told span 10 different Departments, if we follow families and children across those arbitrary divisions. The needs of families and children do not pay any respect to those artificial divisions between, for example, health and education.

It would be wrong if, at this time, with the enormous public interest in the welfare of children—particularly the most vulnerable children in our society—I did not spend a little time talking about them. It happens that one of the Select Committee's decisions was to show that we were taking our responsibility for children seriously, and for the past few months we have been looking intensively at the whole area of children in care—looked-after children. We have been taking that very seriously and have learned a great deal. As soon as one gets into this territory, the vocabulary and acronyms are different, and there is a tremendous learning curve, which members of the Committee have enjoyed.

[Mr. Barry Sheerman]

As we approached the end of the inquiry, we were hit by the awful tragedy of baby P. As we studied the ramifications of the baby P case, we learnt very quickly not just how many children become vulnerable each year, but how many children's lives are ended when they are murdered by their parents or carers. The figures given to the Committee only yesterday by the chief inspector of schools were chilling indeed. During the early part of the debate about baby P, we were given figures from the National Society for the Prevention of Cruelty to Children stating that a child was murdered between once a week and once every 10 days; the chief inspector suggested that the figure was nearer to three children each week.

The issue is very serious, but it must be dealt with in a balanced way. When a tragedy such as this occurs, we need to establish what happened, and whether it is a one-off case or whether there are systemic problems to be addressed. The Secretary of State has moved very quickly in facing up to that responsibility. Unfortunately, we have seen yet another regrettable attempt by the British media to conduct a trial by television and newspapers even before the facts are known. I believe that we have a heavy responsibility to introduce some balance to that knee-jerk attitude to every crisis, and put it into perspective.

What went on in Haringey was not good. I have been given privileged access to some of the documents involved, and they are very disturbing indeed. What do we learn from this case? We certainly learn that the role of Ofsted needs to be re-evaluated. The evidence that we took yesterday caused me to worry about just how often inspectors enter local authority children's departments, how close they get to those departments, how often they go to meetings, meet real people and discuss the issues across the table, and to what extent inspections are paper-based.

As I listened to the chief inspector's evidence yesterday, I had the impression that Ofsted's system, which is not bad for the purpose of evaluating schools, has been transported to child welfare, where it is less appropriate. I told the children's commissioner that I found it surprising that, given that there are only 150 local authorities, there was not a member of the inspectorate in every one. It would not have to be a long-term arrangement, I said, but there should be a presence. A member of the inspectorate should regularly accompany social workers on difficult visits, and should sit in on case conferences.

Of course, we now live in the world of the e-mail. We all know organisations in which colleagues who are just across the corridor from each other do not knock on the door and speak, but e-mail instead. That disease exists in health and social services organisations in both the private and the public sector. I believe in the good old-fashioned presence of a person at a table, looking others in the eye and talking about a case—perhaps asking "When did you last see this family?", "When did you last discuss the child?", "When did you last talk to the child on his or her own?" or, "When did you last ask whether there was a man in the house? Did you ask a neighbour whether there might be a man living in the house whom you had not known about?" That last question is a common theme in many difficult cases of this kind. In the context of the baby P case, I issue a plea for us to look very seriously at the systems.

John Hemming: As the hon. Gentleman probably knows, I have been studying the systemic aspects, and trying to establish how many serious case reviews following a child's death have occurred nationally. Ofsted has only been able to look at the figures since 1 April 2007, but the Government have instructed local authorities not to provide me with lists of serious case reviews prior to that date. Would the hon. Gentleman consider using the authority of his Committee to investigate the number of cases over the past few years since serious case reviews became more common, so that we can identify the systemic trends?

Mr. Sheerman: I know of and respect the hon. Gentleman's work, and I will be as helpful as possible in my role as Chairman of the Committee.

We are looking for systemic problems, and we picked up on one yesterday that caused great shock: the records of the Ofsted investigations of children's departments were not kept for longer than three months. Apparently, a lot of the original information about what went on in the inspection, such as who was met, what was said and who attended what meetings, disappears after three months. I ask the Secretary of State to look into that.

Mr. John Horam (Orpington) (Con): Did the hon. Gentleman's Committee discover why there was such a practice?

Mr. Sheerman: The answer we got yesterday was that the volume of material would have been too great. I can understand that in terms of school inspections as there are thousands of schools, but I find it more difficult to accept in respect of 150 local authorities and children's departments. Our role in this House must be to get the answers right, and we await with great interest the findings of the Laming inquiry, which is being carried out at the request of the Secretary of State.

I want Members to bear in mind that the social workers in this country do a wonderful job. They are underpaid, and in many ways they are under-trained. Before the baby P case, a chief executive of a London authority gave evidence to the Committee and said that he no longer trusts the training of social workers in our country and would prefer, as far as possible, only to hire social workers from Australia, South Africa and Canada. That was a remarkable comment, but the Secretary of State intends to look at the training of social workers, and also how they are used and managed. Earlier, a Member talked about accountability, and I agree that accountability is important, but so is good management. The management of a large children's department is a very challenging job, and all of us know that merging social services with education has been difficult. There is a great tension in that. Some of us represent constituencies whose local authorities have an expert director of children's services who came from social services; others have someone who came from education.

We must look at these matters very carefully. Although there have been criticisms of the director of Haringey social services, we should look a little more carefully at, and a little more kindly on, the stress of that job. We should sometimes be a little more objective and thoughtful about the comments we make about people before we know the full facts.

David Taylor (North-West Leicestershire) (Lab/Co-op): Does my hon. Friend agree that the occasionally poor reputation that social workers have is rooted in their unfair treatment in the media, and would it not be a good idea if those in the broadcast and print media commenting on social issues of this kind were required to get some detailed knowledge of the pressures faced by people on the front line, because they are too quick to judge, condemn and excoriate the work of social workers, who are at arm's length from us in doing a job we need to have done?

Mr. Sheerman: I entirely agree with my hon. Friend on that point. Social workers do a great job. Yes, we should look to see if we can improve their training and we should look at their management, but it is one of the hardest jobs in the world. If there is a tendency to take people off the front line quickly, and to promote them into the management and administration of the children's department, we must find out how to combat that by encouraging people, and by giving them time away from the front line to rest them and then bringing them back. It is a very hard job and we must respect that. We must also respect the complexity of the management task faced by the 150 directors of children's services, who have very large empires to manage. A little more humility is called for.

My hon. Friend is right about the media. For example, last week a study was published in *The Lancet* which said that 5 per cent. of children in developed countries were subject to abuse, either sexual or physical. When one looked at the full reports, it became apparent that the figure of 5 per cent. was never mentioned—it was only in the press reports. The media treatment of that report gave people in this country the wrong idea. For a start, hardly any of the original research was carried out in this country.

How many times do we hear on the BBC the words, "Research carried out by this programme"? We know what that consists of. Indeed, we had an example this weekend when it was claimed that research carried out by the BBC had found that a tiny number of MPs—20 or 23—were unhappy with some aspects of the Speaker's performance. That was not research. It was some kid in the office who had pestered MPs over the weekend. Too often, the media, especially the BBC, do such things; the "Today" programme loves to do it. Many members will have been rung up as part of that alleged research. I know what real research is, and that is not real research.

The amendment expresses the Opposition's concern about international tables. We do not stress the good news enough, and the trends in international mathematics and science study, or TIMSS report, shows how extraordinarily well our children have done in mathematics. The performance of the 10 to 14 age group has improved dramatically, and those on both sides of the House should welcome that. The investment in early years education, children's centres and Sure Start takes a long time to show results, and we are always in danger of making those issues a purely party political contest, with the Opposition saying that whatever the Government have done is wrong. Actually, as Chairman of the Select Committee, I see an enormous amount of good.

However, before the Secretary of State for Children, Schools and Families gets too happy about that, let me say that the Committee's most recent report, which will be published in the new year, points to some concern. I totally disagree with the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), the former Leader of the Opposition, and his talk of the broken society and an underclass. Such language gets us nowhere. I hate the terminology and I think that it gets in the way of evaluating what is happening in our society. It is true that some people suffer from social deprivation and a long-standing lack of good employment prospects, but the situation is dynamic and people move in and out of it. There are problems and challenges, and all parties have to find ways to ensure that every child gets a chance to fulfil their real potential. Sometimes that will be through the academic route, and sometimes through an apprenticeship, training and skills route. Thank goodness, we are achieving provision, especially for 14 to 19-year-olds, that is beginning to address all the talents.

We should also give talented people the chance to move easily between disciplines. In a sense, what was wrong with the Education Act 1944 was that people stayed on one track; if they were academic, they went to grammar school—that was their future. People who went to secondary modern school had little chance of getting requisite skills, while those who lived in areas with technical colleges went down a different route again. The apprenticeship provisions in the Bill that we will consider later this Session will ensure that 14 to 19-year-olds have access to a range of potentials.

Finally, I want to say something about child development. One of the great things about a Select Committee is that we can take a cross-party look at very difficult subjects. We can take conventional wisdoms and the sort of street knowledge that people pass on without much research and gather evidence to see whether they are right. Most of us will have been troubled by the oft-repeated research that asserts that a child's potential is more or less decided by the level of stimulation that it receives up to the age of 22 months. If that is true, it poses a great challenge to everyone interested in the future of this country's children.

I remind the House that 22 months is about the age of little baby P when he died. If that stimulation is so important, are we making the right decisions to ensure that the right environment is provided for all children? Of course, we have come a long way already with early years provision. We have children's centres and Sure Start, and children aged three now get 15 hours of free nursery care. All of that is good, but you will know, Madam Deputy Speaker, that child care is still expensive in this country. The challenge is to provide good, stimulating environments for children as early as possible. Income levels should present no bar to that, but at present they do limit what is provided for very young children aged between nought and three. We are not doing a bad job and I do not want to castigate the Secretary of State or the Government, but we must do even better because that is the crucial age.

I advise the House that my Committee will call evidence on levels of stimulation and the development of a child's brain. We want to establish how accurate the research to which I referred earlier and the conclusions based on it are.

Greg Mulholland: The hon. Gentleman is right that the evidence shows that the investment has to be made in the early stages of a child's life, so does he agree that the Government should abandon their gimmick of the

[Greg Mulholland]

child trust funds? Billions of pounds are tied up in them, although 18-year-olds get a payment of only a few hundred. Should we not spend that money on early-years education, because that will make a difference to people's life chances?

Mr. Sheerman: I am sorry, but I rather like the child trust funds. Earlier, the Liberal Democrat spokesman, the hon. Member for North Norfolk, spoke about tobacco. Along with other hon. Members, I campaigned for many years on the smoking and tobacco issue. We were trying to change the culture associated with tobacco use and smoking, and that meant that we had to tackle advertising, education and every aspect of trying to get people to stop smoking so as to improve their health and development. The same is true with child development. We must try everything, but the Queen's Speech is absolutely right that we have to eradicate child poverty.

For that reason, the child trust fund is one of the essential ways in which we will change children's life chances. No approach can work immediately, and the child trust funds are a long-term investment. Over five or 10 years, we shall be able to see whether they work. Many of the policies that we have embedded over the past 11 years will take a long time to evaluate. Over time, I think we shall see that child trust funds are very useful indeed.

This will be my last point, because after criticising a previous speaker, I am going on for far too long—[Hon. Members: "Yes".] I am sorry, but normally Back Benchers, even Select Committee Chairmen, have to listen the Front-Bench lot and are then restricted to 10 or 12 minutes, so I am speaking up for Back Benchers. There is no limit today, so I am taking a little longer than usual—*[Interruption.]* I shall go on for even longer now.

I shall end on the point about culture. We are trying to change cultures and it is difficult. It has to be done in terms of tackling child poverty and in a variety of ways. Some of the things we do will not work—surprisingly enough. We are human beings so sometimes our responses to problems will not work or will not work as well as they should, but then we learn the lessons. Over the past few years, one of the things I have liked is that often when the Government recognise that something is not working too well they change it. Sure Start is a good example. Some of the Sure Start schemes were not very good when they started. I have to tell Members who like localism that it was often because the impetus was too localist—everybody came up with their own ideas and some of them did not work, so Sure Start had to be changed. As long as the Government continue to make pragmatic judgments—seeing whether things work and recognising that sometimes there are mistakes—they will have my support. On the other hand, when they do things in a bone-headed way and carry on regardless, they will not have my support or that of members of our Committee.

Much in the Queen's Speech will give us plenty of work over the coming months. There are some interesting interventions and innovations for the qualifications framework. The Secretary of State must make sure that the framework is independent and seen to be independent so that it can speak fearlessly about the qualifications system. People will approve of that.

The very last thing I want to say—*[Laughter.]* In that case, the penultimate—or rather pre-penultimate—thing I want to say is about apprenticeships. Only last Saturday, our Committee produced a report on apprenticeships. It was a good experiment, because the Select Committee on Innovation, Universities, Science and Skills was producing a pre-legislative report on the draft Apprenticeships Bill at the same time. We did not collude, but we came to similar conclusions. We are positive about the apprenticeship route and about the expansion of apprenticeships. We are concerned that the targets will not be met, because as the economy is going through a slight hiccup—I shall not use the other word—and the tough times mean that the private sector will be challenged to produce enough apprenticeships, the real challenge will be to introduce them in the public sector.

The largest employer in my constituency is the university—there are not many apprenticeships there. Health and the local authority are among the biggest employers—there are not many apprenticeships there either. The sooner we can have apprenticeships in every part of our public sector system, the better. If we can achieve that, the Secretary of State and the Government will have my support.

3.29 pm

Mr. Edward Leigh (Gainsborough) (Con): It is always a pleasure to listen to the hon. Member for Huddersfield (Mr. Sheerman) for half an hour. I know that he is irritable, because the last time that I questioned in the Liaison Committee the saviour of the world, otherwise known as the Prime Minister, the hon. Gentleman shouted across the Committee Room, "Who does he think he is?" I do not think that he was referring to the Prime Minister at the time. So I will try not to irritate him, and he might agree with quite a lot of the early part of my speech, because I want to talk about efficiency.

As the parties get less ideologically divided—[Hon. Members: "Ho, ho!"] It is true, actually—efficiency becomes more and more important. We heard a bit of banter between Front Benchers earlier about their public spending plans. The truth is that, if there is a Conservative Government, they will not want to do less in health and education, but they will want to do it more efficiently. I give credit to the Government, who want to do things more efficiently as well, but whether they succeed is, of course, a matter for debate.

Efficiency figured very large in the pre-Budget report and in the spending review. The Government claim that they want to deliver efficiency savings of a massive £35 billion. As Chairman of the Public Accounts Committee, I have often questioned whether they will actually achieve that, but I have never disagreed with the objective, which is even more important in health. We heard the Secretary of State for Health mention that he is increasing spending by what sounds like a very healthy 5 per cent., but given an ageing population and the increasing costs of health technology, unless we can achieve efficiency gains of 3 per cent. every year, that is just a standstill budget, so efficiency is absolutely central to what we are talking about.

I want to go further than in the past, and I believe that we could achieve more efficiency. True efficiency is about achieving the same outcomes for a lot less spending.

That is about the absolute, resolute and obsessive pursuit of efficiency, line by line, programme by programme. It may be a rather boring subject—it is not often at the forefront of political debate—but it is absolutely essential. Let us make no mistake: if we do not achieve massive efficiency savings, we will face armageddon in our public services.

David Taylor: The hon. Gentleman says that efficiency is a boring topic. Certainly to an accountant such as myself, it is meat and drink and not boring for a moment. He says that efficiency is all about getting the same outcome for less input—I paraphrase him slightly—but does he not agree that there are circumstances in which to spend more is, first, to get a better quality of service and, secondly, therefore to have a lower cost per unit of production? Earlier today, I pointed out to my right hon. Friend the Member for Swansea, West (Mr. Williams), who is Chairman of the Public Accounts Commission, that Her Majesty's Revenue and Customs reorganisation, which with the hon. Gentleman is very familiar, risks losing people who might have bridged the enormous gap between the tax that should be collected and the tax that is collected after tax avoidance. That is the case, is it not?

Mr. Leigh: It is true that, at certain times, people make policy decisions and have to spend more, which may indeed achieve their policy objective. Of course I accept that, which is why I do not want to talk about policy differences in a lot of my speech. I want to try to bring the Government and, indeed, Conservative Front Benchers with me as far as possible. I do not believe that it is the duty of an Opposition—certainly not an Opposition Back Bencher—to oppose everything and propose nothing. So I hope to make some practical suggestions about how we can improve efficiency.

The Chancellor recently raised the bar on efficiency savings by another £5 billion, which is quite a difficult task. My call might not be strictly within the rules of poker, but I see his £5 billion and want to try to help him raise another £5 billion. Let me give some ideas, not for cutting services, but for encouraging all the major Departments to match the greatest progress made by their most efficient colleagues in five core categories of efficiency. Let us look at all the Departments and at who does things most efficiently, to try to bring the rest up to that level of efficiency.

Item 1 on that five-point agenda for efficiency is the civil service pay bill. It is true that the Government have made some progress in reducing numbers in some Departments, but not in reducing staff costs. A reduction in numbers running to tens of thousands—I agree that it has been achieved—has been accompanied by a real-terms increase in the pay bill of more than £1 billion. If all Departments matched the greatest staff reductions achieved in Whitehall, the saving to the public purse could be a massive £1.7 billion. Of course—I will mention this now—the new contract for general practitioners is an example of a Department implementing new arrangements that have increased, rather than reduced, inefficiency. Partners in GP practices are now putting in less time and their productivity has decreased; only their pay is burgeoning, having increased on average by 58 per cent. since 2003. I think that we all recognise that major mistakes were made in that contract, which we never want to see made again.

On the subject of staff costs, are the tasks of Whitehall Departments really so different that, apparently—what the NAO tells me is extraordinary—the average civil servant in one Department can cost almost 60 per cent. more than the average employee in another? I know that Departments perform different tasks, but it seems extraordinary to me that we have such a range. If we could bring the most costly and the least efficient up to the level of the least costly and the most efficient, we could save another, staggering, £800 million.

Outsourcing and consultancy form my second item. Consultancy is often discussed. It seems to me scarcely credible that any part of Government could have consultancy expenditure equivalent to even half its staff costs, let alone the 87 per cent. of staff costs spent by one Department, but that is apparent by analysing last year's accounts. The average central Government body spends five times more on consultants per employee than the private sector—a whopping £10,000 for every civil servant employed. Is that necessary? Do we need all those consultants? We have very good civil servants—they are there in the Box. Although we are not allowed even to refer to them, they are fantastic people doing a great job.

When the NAO reported on the use of consultants, it concluded that efficiency gains of up to 30 per cent. could be achieved without reducing the underlying value of the work purchased. The NHS spent £600 million on consultants last year, when the public sector as a whole spent £2.8 billion, so the saving could be as much as £800 million a year.

Let us take a long look at other running costs, such as the costs of accommodation, leases and IT, which provide the third item on the agenda. I offer the Government and the Opposition a further £900 million saving. I hope that my hon. Friend the shadow Chief Secretary to the Treasury reads my remarks today—I am happy to help anybody, Government or Opposition, with these ideas.

The startling variation in accommodation costs for each individual civil servant provides clear scope for improvement. When the NAO examined this matter in 2006, it found that the Department of Health—I mention that Department, because we are talking about it today—spent nearly three times as much per person as the then Department for Education and Skills. Today, the Secretaries of State for Children, Schools and Families and for Health have been sitting side by side in the Chamber, so perhaps we should ask them to explain the difference between their Departments' spending. I do not understand it.

Perhaps the Government should consider extending their shared ownership schemes to their Departments, so that they learn lessons from each other. London property prices may not be what they were, but all of us here represent provincial constituencies, do we not? Are we sure that every civil servant currently based in the capital would not be better employed at less cost in our own communities—in Huddersfield, Gainsborough or, indeed, North Norfolk? Why are so many still based in the capital?

The House may need to bear with me as I go through the next item on my list—comparisons of asset values. As an accountant, the hon. Member for North-West Leicestershire (David Taylor) will be interested in this subject, but the eyes of other Members present may

[Mr. Leigh]

glaze over, but it is a fantastically important subject. The Government aim to dispose of £30 billion of assets, but even though last year their main Departments got rid of approximately £1.5 billion of assets—well done—they managed to add a hefty £10 billion of assets. That so often happens in public debate: we hear the good news, but not the bad. I salute the Ministry of Defence, which achieved the highest level of disposals in Whitehall, and the Department of Health did pretty well, too. If others had marched forwards as far, another £850 million would have been captured by all of us.

According to my rough calculations, so far we have identified savings of £4.8 billion and counting. In search of the final big push that would enable me to keep my promise to try to save the Chancellor £5 billion—no small sum—I considered those Departments that make grants. The Departments that are the subject of today's debate figure heavily among them. A recent National Audit Office report made recommendations to help grant makers better manage the demand and flow of applications, and streamline their processes. A saving of 10 per cent. as a result of greater efficiency in grant administration across the public sector could plough £220 million back to the Treasury. I have now achieved, just in one short speech, savings of £5 billion.

I freely accept that efficiencies are not certain; there are problems with information, challenges in delivery, and variations in circumstances, so we could undershoot, or indeed overshoot, on all those five items. However, surely that is not an argument for the abandonment of the agenda; it is an argument for adding to it. To try but fail is honourable; to fail to try would be criminal. That is why I think that efficiency should be a central part of what we try to do. My challenge to the Government is to take inspiration from Mr. Micawber. It may not be fashionable in these "Buy now, pay later" times, but the Government's accounts book should be reviewed, entry by entry, in a concerted effort to alleviate the misery of spiralling borrowing.

In debate after debate on the work of the Public Accounts Committee, I have emphasised three broad themes of which the Government should take note in their forensic self-analysis. I start with unnecessary administration. The private sector has long focused on minimising the proportion of resources that it invests in administrative functions, so that it can focus on what delivers value for the customer. It is essential that the public sector take that approach. That can be achieved both by cutting down the complexity of administration and by sharing the management of administrative services. We hear a great deal about that problem in the NHS. Every time that we talk to our doctors and consultants, and people whom we know in the NHS, they harp on at us about the cost of administration—a vital point. We should listen to them all the time.

My second theme is commercial skills and astuteness. The role of the Government is changing from one in which they delivered most public services themselves to one in which they manage other organisations that deliver services on their behalf. No matter who wins the next general election, the process will go on and on. The Government will withdraw more and more from the front line and will use other people to manage their services. Government will become ever more commercial.

In those circumstances, the delivery of services is underpinned by commercial arrangements so the Government need to improve their ability to manage contracts. We have to employ the best people and pay them the right price. We should bring them in from the City and the merchant banks to work for us. When it comes to private finance initiatives, new contracts or hospital running costs, we have to get the best people working for us and pay them the best price, which pays in the long run.

Frankly, the public sector still lacks the commercial nous to derive maximum benefits from its suppliers. Take one well-known example in the education field. The interest of celebrity chefs in school dinners has helped to draw attention to one small specific area of procurement. We looked at the issue and showed that there was scope to realise over £200 million of efficiency savings in food procurement in just one year, by 2010-11. More than half of those savings could be achieved in schools and hospitals without affecting quality. Ultimately, actions such as joint purchasing could help to avoid situations such as those that we found at the time of our investigations. For instance, we found that one public body pays 32p and another £1.10 for the same loaf of bread.

I come to my final theme: making better use of resources. The Government do not always manage the vast array of resources in their control, including office buildings, service delivery and agents, as efficiently as they should. Earlier this year, the National Audit Office published a report on managing financial resources. It found that since 2003 Departments have indeed improved their management of finances, but, incredibly, that 40 per cent. of them invariably provided decision makers with a full analysis of the financial implications of policy proposals. It is amazing that in only 40 per cent. of cases in which Ministers make difficult policy decisions they were told about the financial implications of those decisions. The message must be driven home that the management of financial resources is the responsibility of everyone in the Department, from the Secretary of State down, and not just the central finance team.

The Government need to know what is being spent, where and on what, and I hope that there is a central emphasis on everything that Ministers and their top civil servants do. They need to know whether one Department pays more for the same service than another, and they must embrace, not avoid, comparisons of cost and performance across the public sector. Departments must benchmark all the time with other Departments, and they must look at what is going on abroad. They must always seek to do the most efficient thing, and pay people to work for the public sector and Ministers to get the best results.

All those disciplines should apply to the Government's proposed programme. The aim of government is not to legislate at any cost—the Government are clearly not doing so, as we are not overloaded with legislation, and I congratulate them on that—but when the costs and benefits are totted up, how many of the proposed Bills would help the fastidious Mr. Micawber to obtain happiness by balancing his affairs? We should look at all those Bills and ask how they will achieve happiness by balancing our financial affairs.

If the House will allow me, I shall propose one final test to be applied to all the Government's proposed legislation. It is simple: does the proposal reduce the

overall burden on the public purse, and is it efficient? That legislative impact assessment should be policed, perhaps by the House, with more rigour than the Government have put into their own regulatory impact assessments. If the answer to the question is yes, the Bill should be allowed to proceed to further debate. If the answer is no, it should be allowed to go forward only if accompanied by an equal saving elsewhere. Now is not the time for either the cost or the burden of government to grow, because we simply cannot afford it. I urge all public bodies to keep at the forefront of their thoughts the fact that taxpayers and all those who use public services rely on them to get this right. Given the storm-tossed state of the public finances, the success or failure of programmes to achieve true efficiency in the public services will have a major impact on all our lives.

If the House will forgive me, before I conclude may I make one or two policy points? In everything that I have said so far, I have spoken as Chairman of the Public Accounts Committee. I hope that what I have said is not politically sensitive and that Members on both sides of the House agree with it. However, from my own personal perspective as a Back Bencher, may I make one or two points? This is where I fear that I may lose Government Members, but the debate offers an opportunity to express one's point of view, so why should I not do so?

Yesterday, the Prime Minister, without telling me in advance—fair enough; all is fair in the House—attacked me on the Floor of the House, so I could not pop up and put the record straight. May I now make clear my point of view that the Government have made a major error in seeking to solve our economic problems by cutting VAT at a time at which prices in the shops are falling through the floor? The point that I made, not as Chairman of the PAC but from my own personal perspective, was that the best way to help the poor is by raising tax thresholds to get people out of paying tax altogether and to attack the poverty and unemployment trap.

Norman Lamb: The hon. Gentleman is supporting Liberal Democrat policy.

Mr. Leigh: It may be Liberal Democrat policy—what do I care? If I see a good policy, I will embrace it—but it is also the policy of many Conservative Members of Parliament. There is nothing original about this, as there are many people on the left who believe that the best way to help the poor is not by cutting VAT, because a much higher proportion of poorer people's budget is spent on items that do not attract VAT in the first place. That is the point that I made, but I was quoted out of context by the Prime Minister. However, it is much better to be attacked by the Prime Minister than not to be mentioned at all, so I do not mind very much.

May I make two brief points about education and health? The report by Sir Jim Rose was published this week—another report on education—and seeing that my hon. Friend the Member for Surrey Heath (Michael Gove), the shadow Secretary of State, has just walked into the Chamber, I shall make an appeal to him. Often, we on the right are accused of being too obsessed by the structures of education, and it is said that while we have been obsessed in that way, the left has been more concerned about the minutiae, and that it has won the debate. Let me say straight away that I am not the slightest bit interested in returning to the 1950s, in having more grammar schools or in any of that. All I say to Sir Jim Rose and to all those on the Government and the Opposition Front Benches who think that they can micro-manage the thousands of schools in this country is that they are deluding themselves. We have to trust our professionals; we have to trust head teachers.

I know a bit about education—after all, I have educated a few children in my time. I believe that head teachers want to have the freedom to set their own curriculum as much as possible, to hire and fire their staff, to interview potential pupils and to select their own pupils. I know that I start to lose everybody in the Chamber when I say this, but if they were given the same freedoms that independent schools have, there would not be a rush back to grammar schools. Most schools would hardly change at all. My son went to a comprehensive school: I have never sent a child to a grammar school. I am not interested in that, but I am interested in allowing the head teacher of my son's comprehensive school the ability to manage the school in the way he wants. He should not be micro-managed all the time by the Department, and he should be able to interview and select, if he wants. If we did that, it would revolutionise schools.

I know that I do not take everyone with me on that, and I shall go one step further and lose virtually everyone in the Chamber. I believe passionately that we have to end the totally rigid divide that we alone have in this country between the private and public sector. It does not happen elsewhere. We have to encourage people to shift between the public and private sector. We have to have people who are setting up new private schools. We can bring that process in slowly, starting with reception classes, or start the process in some postcode areas. We should do what the French do. The French pay staff salaries in private schools, so fees in private schools are minuscule in France compared with—

Mr. Chaytor: Will the hon. Gentleman give way?

Mr. Leigh: I was hoping that I would incite the hon. Gentleman to intervene.

Mr. Chaytor: Surely in France the vast majority of private schools are state schools under any other name, because they are Catholic schools that are financed by the state. The idea that the French definition of a private school is analogous to the British definition is absurd.

Mr. Leigh: I am not saying that the system is exactly comparable, and I know that many parents in France use private schools because they want their children to have a Catholic education—that may be the same here. I am not arguing for a sudden revolution, but a gradual change.

I know that my hon. Friend the Member for Surrey Heath, the shadow Secretary of State, agrees with that. He has been very innovative. He has looked at what is happening in Sweden, and he will come up with ideas to make it easier for people to set up private schools. All I am asking is why it is considered to be so wrong and reactionary to break down the rigid divide between the state and the private sector in education. I have never understood that, and if we can find ways of being

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innovative and of helping people to break down that divide, we should. If I cannot take the hon. Member for Bury, North (Mr. Chaytor) with me on that, can I at least take him this far—please do not go on with this process of trying to micro-manage our schools on the curriculum? The people involved are professionals and they know what is best. Rely on parent power: if head teachers do not deliver what people want locally, people will not want to send their children to those schools.

I say the same thing about health, and again, I know that I will lose people on this issue. Why do we have a rigid divide between the public and private sector in health? My family and I rely completely on the national health service. I have no private health insurance, but if a retired person, after paying tax all their life, wants private health insurance, I do not see why they should not be given tax relief on it. The last Conservative Government did that, and it is simply fair. If people are denied a particular medication because it is too expensive and they want to top up the cost from their own resources, why should they not be allowed to do so?

As with education, I believe that we should not try to micro-manage the national health service. We should rely on professionals and on their good judgment. Increasingly, we should step back and set budgets—the Government are doing that through foundation hospitals—and proceed apace, relying on the professionals to run hospitals in the way they think best. However, I will not take the House with me on many of those things.

Mr. Kemp: I have considerable sympathy with the earlier remarks that the hon. Gentleman made in his capacity as Chair of the Public Accounts Committee. However, I am slightly confused about one thing. The earlier part of his speech was about the Secretary of the State and others in Departments ensuring that we get cost-effectiveness and efficiency in public services, which is right. Yet, in the second part of his speech, he has argued that the Government should not micro-manage education and health. Surely, there is an inherent contradiction between the two: if we are going to get real value for money, it has to be led from the centre, and it follows that we cannot allow complete independence and freedom from Government control of health and education.

Mr. Leigh: I do not think that that follows. Let us remember that much of what I said was, for instance, about the efficient use of asset management and the roll-out of computer systems. What is increasingly happening in relation to health, for instance, is that the Government say to hospitals, "We will pay you through the primary care trust so much per hip and then you can get on with it. If you do it efficiently and learn good practice, you can keep more of your money." I pay tribute to the Government on that.

There is not a dichotomy between me and the hon. Gentleman on this. A grant-making body can pay so much per pupil in schools, and we can say that we will pay so much for a secondary or primary school pupil if a child needs a statement or if a body is prepared to give him a statement. I know a lot about that from my personal experience. After the school has received the money per child, it is free to manage that child in the way that it thinks is best. The same also applies to foundation hospitals. Once the money has been disbursed per hip, per cancer treatment, or however it is done, real scope is given to the professionals to run the budget in the most efficient way.

Siobhain McDonagh (Mitcham and Morden) (Lab): I see foundation hospitals in exactly the opposite way. Out of the 107 foundation hospitals that have been set up, there are more than 1 million members. It seems that we are getting more public involvement from outside than the more mainstream trusts, rather than simply letting the professionals have their way in foundation hospitals.

Mr. Leigh: That may be a good point. Perhaps the principle behind foundation hospitals is right, but we have not implemented it in the right way. The Minister has heard the hon. Lady's intervention, so perhaps we will learn from that practical experience.

Whatever the House might think about those ideological differences, I hope that we all agree that we have to be much more commercially astute in the way in which we operate our public services. Whatever side of the argument we support, we must ensure that we are committed to our public services and that we make them as commercially efficient as the private sector. There is no reason why that should not be done, and if we do it, we will achieve much more for our constituents.

3.58 pm

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab): I am delighted to be able to speak in the debate on education and health in response to the Gracious Speech. I spoke in the debate on the same subject last year and much has happened since. I am not only a member of the Select Committee on Children, Schools and Families, but parliamentary private secretary to the public health Minister. I will not be able to talk in detail on health matters because tradition dictates that my new role prevents me from expressing my strong support for steps to remove point of sale displays for tobacco products. It also prevents me from welcoming steps to help cut the cost of having cancer by making prescriptions free for cancer patients. It most certainly means that I am not in a position to say how welcome it is that the Department of Health has shown a clear commitment to the health of our children by putting forward joint funding for pilots of extended and universal free school meals. As I have always said, I came here to break the mould.

Health issues are pertinent to my constituency. For example, in the Sunderland metropolitan area, life expectancy is 18 months below the national average and death rates from smoking, heart disease, strokes and cancer are all above the national average. I am enjoying my new role, but I want to make it clear that I am acutely aware of the priorities for health care in my patch and that although my public voice on such matters may be diminished—

Madam Deputy Speaker (Sylvia Heal): Order. I gave the hon. Lady some leeway, but she must now confine her remarks to those subjects about which she is allowed to talk.

Mrs. Hodgson: I shall follow your advice, Madam Deputy Speaker, and I am grateful for your patience.

My focus today will be on education. Last year, I called for pilot schemes on universal free school meals, and in September they were announced. I also called for better provision for children with dyslexia, and I am pleased to say that we are well on the way to securing that, too. It was an honour to play my part in highlighting the need to improve provision, not just for children with dyslexia, but for all children with special educational needs. I had a privileged opportunity to steer my Special Educational Needs (Information) Bill successfully through the House, and I am grateful for the help and support that I received from Members on both sides of the House. The Special Educational Needs (Information) Act 2008 should lead to improved information on the types of needs these children have, and it is my fervent hope that this improved information will raise outcomes in years to come. I cannot let this chance go by without reminding Ministers of the need to spell out how the new powers in the Act will be implemented.

I spend so much time talking to charities and stakeholders with an interest in SEN, but a number of interests that still need attention have come to the fore. I hope that the education and skills Bill can be a vehicle for addressing some of those problems. Last year, I focused on two issues in depth and I achieved some success, so this year I shall cover more matters, although perhaps in less detail, and hope for a similar outcome. Recent answers to written parliamentary questions have said that the Government are considering the specific remit of Ofsted's report on SEN in our schools. The sooner we know what that remit will be, the better.

It is good to see that an interim report has been published today by Brian Lamb as part of his ongoing review of parental confidence in the statementing process. As a parent of a child with a statement of SEN, I know all too well the feelings of "fighting" or "battling" the system that this report recognises. Better information for parents, better outcomes for children and a place in mainstream policy for SEN and disability issues are all vital. I know for a fact that the report is not falling on deaf ears as far as the Secretary of State is concerned.

There is a consensus among the charitable sector that we need to define types of need more clearly when we record SEN, so let us hope that the Ofsted report will examine in detail whether the current categories of recording need are efficient. There is consensus, too, that parents deserve better information about SEN provision, so let us hope that Ofsted will consider the need to empower parents to make well-informed decisions. We also know that there are similarities in the difficulties that children with medical conditions such as epilepsy or diabetes face in our schools, and it may be a smart move to ask inspectors to examine how a joined-up approach to delivering support to those whose unique physical or mental abilities create barriers to learning could be achieved.

I realise that I am digressing somewhat from the substance of the proposed education Bill, and I wish to return more tightly to it, while keeping a focus on SEN issues. It is extremely welcome to see that the Bill will provide teachers with the right to request time for training. Not only does that reflect the Government's wider focus on upskilling our work force, but it allows scope for teachers to develop specialist skills in support of those with SEN. Last year, the Government announced £18 million of funding for a masters qualification in teaching and learning. If they are to match their words with action, it is imperative that the qualification be required to contain work on supporting pupils with dyslexia and other SEN. I know that is something that Dyslexia Action is keen to secure, and it has my full support in that.

We must also examine measures to improve the skills of those who work with our children without requiring huge time commitments from teachers over and above their already heavy work load. When the Government publish the children's work force strategy, I hope that they will have considered the possibility of using rights for teachers to request training to deliver further training on SEN. I am considering a campaign calling for one in five INSET days—in-service training days—to be given over to our SEN children, who, as some hon. Members may know, make up one in five of our school population. I understand that there are potential barriers to making that a reality, but I cannot help thinking that "One in five for one in five" is a catchy campaign slogan.

Why not give teachers the right to undertake training in different special educational needs, when they are already required to teach pupils with such needs in schools every day? In the case of deaf children, there are things that teachers could learn in a matter of hours that would benefit children for a lifetime. Awareness of acoustics and the aural environment can make an immediate difference. I will continue to work with the National Deaf Children's Society on the proposal. I hope not only that it will benefit deaf children, but that it can be adapted to help a range of children with special educational needs.

Annette Brooke (Mid-Dorset and North Poole) (LD): I congratulate the hon. Lady on the points she has made so far. Does she agree that one major problem is that teaching assistants are not necessarily trained in sign language to a level sufficient for interpretation, which is important for maths and science? I therefore hope that she will call for those higher levels of sign language qualifications in her campaign.

Mrs. Hodgson: I thank the hon. Lady for her intervention. We have worked together a lot in the course of my private Member's Bill and on the Children, Schools and Families Committee, and I know how keenly we agree on a lot of SEN issues. I certainly do hope that teaching assistants and learning support assistants will be included in any SEN training, because they spend a lot of time with our children in schools. One-to-one time is often spent with the teaching assistant or a learning support assistant, so it is vital that they should receive such training.

The ultimate aim, which we all share, is to lift the level of support received by pupils in schools. I note from the information published on the Department's website that the Bill will look at changes to learning in juvenile detention centres and prisons. It is an established fact that the prevalence of special educational needs among the prison population is far higher than it is in wider society. I hope that any eventual changes will look at the difficulties with learning that those in prison face and that any attempt to tackle the stagnant educational development of our young prison population will ensure that those unique challenges are addressed.

Jeremy Wright: Does the hon. Lady agree that one of the problems in enabling young prisoners to continue their education or training is that when they move prisons, it is difficult for them to continue the course they were studying? Does she think that the Government should look into that as a matter of urgency?

Mrs. Hodgson: I do not have great expertise in the subject, but I take the hon. Gentleman's word that what he describes is the case and urge the Government to look into that, too.

In addition, there will be measures to review school transport for those in post-16 education. There is already a feeling that a wider review of school transport is needed across all age ranges to plug holes in budgets through which money can often leak—I am thinking of the use of taxis, for example. The recent outrage felt by the public at the case of baby P was shared by all hon. Members. It is a cliché to say that lessons must be learned following such tragedies, but I want to make a couple of points about that. It has already been noted that we cannot allow such cases to lead to all child care workers being tarred with the same brush, but at the same time we cannot miss the opportunity to lift the level of professionalism among child care services. Whatever the whys and wherefores of today's UNCIEF report, we are clearly lagging behind much of Europe. That cannot be allowed to continue. The report notes that provision here is hampered by a lack of well-trained staff.

I mentioned in the House recently that the Danish system uses pedagogues as professionally trained workers who form an extra layer in the protection and development of vulnerable children. It is so often the case that those of us in the House with a progressive viewpoint hold up the Scandinavian system as an example in the hope that it can be mirrored here. I was pleased when the Secretary of State said that there were already plans to look at trials of such workers, because such trials could reveal very interesting results. There need not be a presumption that we must put more children into care, but we should strive to ensure that the level of care that those already in the care system receive is world class.

Another Bill in the Gracious Speech that will put us on a stronger footing for the future is the welfare reform Bill. Those proposals caused a bulge in my postbag when they were first announced. Some constituents were worried that their benefits would be withdrawn, but the majority were happy at the prospect of ending a something-for-nothing culture. We all know the value of work, and it is not just about bringing home a wage; it offers much more. It is important for children to grow up with work as the norm, for adults to feel as though they are contributing to the community around them, and for the country to make the most of all its talents. That might sound idealistic, but I believe that that is the kind of future that we need to aspire to, and more so now, in these times of difficulty, than ever before. We need to get parents into work, to set an example to their children. We need to support those parents in equipping their children to take on a job that comes with rights, including the right to a decent living wage, the right to equal pay and conditions, the right to flexible working, the right to gain further skills and, above all, the most important right, which will now be enshrined in law: the right not to live in poverty any more.

Mr. Kemp: My hon. Friend mentioned the right to training. Soon, millions of workers in Britain who did not fail themselves but who were failed by the education system in past generations will have the opportunity to demand and expect extra training. Does she agree that it is essential that education does not stop at 18 or 21, and that the millions of people out there who did not have the benefits of the system will now be able to enjoy the benefits of training? That is one of the key points in the Bill.

Mrs. Hodgson: My hon. Friend has made a valid point, which I was not going to cover in my speech, so I thank him for that. As he knows, I am a huge supporter of union learning representatives, who do amazing work in encouraging people back into education when, for whatever reason, they did not have adequate chances at school.

I definitely did not come into the House to quote literature, but there has been much talk of the hard times that we are now facing. As my learned and highly intelligent colleagues will know, "Hard Times" is also the title of a book by Charles Dickens that marked him out as an early supporter of the rights of the working class—something that I certainly did come into the House to be. Dickens used that book to call on people to strike the heaviest blow in their power. With the measures set out in the Gracious Speech, the Government seem to be striking their own blow. Some have said that it contains only a small number of Bills, but that does not worry me or my constituents as long as it has a big impact. I hope that it will do so, especially for children with special educational needs, as well as for those living in poverty. If it does, this year's legislation will be not only about impact but about legacy, and I very much welcome the measures in it.

4.13 pm

Mr. Lee Scott (Ilford, North) (Con): I should like to start by making it clear that I pay tribute to members of the NHS—doctors, nurses and any other staff working in the service—and that none of my words imply any impact on them or criticism of them. I am sure that Members on both sides of the House will see what I am alluding to. I particularly want to pay tribute to John Goulston, the chief executive of Barking, Havering and Redbridge Hospitals NHS Trust, for the work that he is doing in trying to turn the trust round, following its previous abysmal administration, about which I shall say more in a moment.

First, I want to talk about the amount being paid out in claims for negligence in the NHS. In my own trust, in the past four years, £33,534,380 has been paid out. That represents 179 claims. There are still 180 claims outstanding, so the final amount could be tens of millions of pounds more. My distress is compounded when I think that across London, £250 million has been paid out in the past three years. I thank the Secretary of State for meeting me to discuss the problem, and for his awareness of how to address it.

I shall refer to two cases, which I will simply call A and B, in order to leave the people anonymous. One lady went for a kneecap replacement, but it was put in the wrong way round, as she realised when she was unable to walk. Not only did she receive compensation, but the operation—with all its associated costs—had to

be redone. More tragically, case B concerns a lady in perfect health who went into hospital to have a baby, but something went wrong and she was left paralysed, brain-damaged and in a very distressing state—with multi-payouts of moneys following on. My point is not to apportion blame, but to say that we must look more deeply into how such events are happening and why. Perhaps retraining through the General Medical Council is necessary, but we must stop this happening in the future. For example, my own area's NHS trust has a deficit of some £90 million—and the vast bulk of it is due to cases such as those two.

The General Medical Council investigates the doctors involved in such cases. The problem is that that is not happening quickly enough: many of these cases drag on and on for years, yet while they are being investigated the doctors continue to operate on patients. I hope that the Secretary of State agrees—in fact, I know from the words he kindly exchanged with me the other day that he does—that patients have the right to know if a doctor who is operating on them is being investigated as a result of a serious complaint connected with another case. I hope that some measures in the Queen's Speech will provide some assistance with such problems.

I mentioned earlier the previous administration of my area's trust, which brings me to another point that I have previously raised with Ministers and the Secretary of State. A former chief executive—in this case I will provide the name: Mark Reece, whom I have named here before—left the trust in a bad position, with vast debts, yet received quite a sum of money as a payoff, and, indeed, for his pension. Once such payments have been made by the NHS, we must ensure that the people concerned cannot be re-employed as consultants elsewhere in the country and earn even more money from the NHS. That is simply rewarding failure, and it has to be stopped. I say that because this gentleman—together with his partner, a former chief executive of Maidstone and West Kent NHS Trust, who also had a pay-off—has indeed formed a consultancy with the hope of advising the NHS on how to run trusts up and down the country. I would say that those two people are not the right ones to be advising the NHS on anything anywhere in our country.

Together with my colleague the hon. Member for Ilford, South (Mike Gapes), I recently visited the maternity wing of the Queen's hospital, Romford, and I can only pay tribute to the work being done there. I say this in a completely non-political way, but I think that the Government have a facility there that they have done proud, as the services that constituents receive there are first class. But—I am sorry that there has to be a but—it can take up to one and a half hours for my constituents in Ilford, North to get there by two bus journeys. Today I received a complaint from a constituent about how long it can take to get there. Although that is a great facility, we must also enhance and improve the King George hospital, which also services my constituency, to ensure that my constituents can receive services as close to their own doorsteps as possible.

We heard earlier from the Secretary of State about the services of polyclinics, and I believe that the hon. Member for Bury, North (Mr. Chaytor) paid tribute to one that opened recently in his constituency. One is opening in my neighbouring constituency, and I welcome anything that enhances services to patients. However, it will not help my constituents, so I very much hope that all GP services are protected, with no closures whatever, so that people can get the service they deserve as close as is humanly possible to their own doorsteps.

Mr. John Horam (Orpington) (Con): My hon. Friend makes a point that resonates in Bromley and my area—which is not dissimilar to his, although mine is in south London and his is in north London—about the threat to our area of polyclinics. I think that the Secretary of State for Health said that polyclinics were mainly for areas that did not have many GPs, but in areas such as Bromley and Ilford, where there are enough GPs—even though too many of them probably work single-handedly—they are not a relevant solution, because they mean concentrating services in one area, which causes lots of transport problems. Polyclinics are not appropriate for our areas.

Mr. Scott: I thank my hon. Friend for that observation. Of course, there is a problem attached to polyclinics. I have said openly that although I am not against them, I do not want services in any constituency diminished because of them. People need contact with their own doctor, who knows them, has dealt with them for a number of years and can give them the services that they need and deserve.

On the subject of education, the hon. Member for Gateshead, East and Washington, West (Mrs. Hodgson) referred to special educational needs, and I want to concentrate on one aspect of that: the teaching of our teachers. In a recent report by the National Autistic Society, a large number of teachers said that they were ill prepared to understand the needs of autistic children. Training is vital. I hope that that will be covered in the proposed Bills.

I recognise that the Secretary of State for Children, Schools and Families, who was at a meeting that I attended not so long ago, has said that the needs of the most vulnerable children in our society will be addressed, and I believe that he honestly wants to do that. However, relief teachers come into schools and do not know the pupils. I want a system the same as the one used in hospitals, whereby a new team that relieves a shift is given the notes of the patients whom it is servicing. In a recent case, a relief teacher took away from the child of one of my constituents the bar of chocolate that was needed because the child suffered from diabetes; the chocolate was medication. The child had a bottle of Lucozade and a bar of chocolate, and was not being naughty or eating in class. Those things were necessary because of the child's medical condition, but the relief teacher was not aware of that. Again, that is a matter of training, but also a matter of information being passed on by schools to relief teachers.

The hon. Member for Huddersfield (Mr. Sheerman) said that Back Benchers could not speak for as long as Front-Bench spokesmen, and then went on to speak for longer than the Front Benchers. I do not intend to do that, but I do want to put across my final few points.

I am fortunate. The education system in the London borough of Redbridge is first class. Many people try to get into our schools and our education system, and I commend the borough for that. However, I want better provision of education for special needs children. We have two good schools, in Hatton and Little Heath,

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which are doing a fantastic job. I want to ensure that they get the resources that they need. I apologise—possibly to those on my Front Bench—for what I am about to say, but this is me saying it; I am not saying it on behalf of my party. I want resources ring-fenced for special needs children so that there is not a postcode lottery. We know about the burdens on local authorities, whatever the political persuasion of those running that authority, and there is a finite amount of money. However, I want the right sums of money to be put into the education of special needs children, and I want to ensure that they get it—and that will be possible only if we have ring-fenced funding. I ask the Secretary of State to consider that. As I said, it is my personal view.

If we do not help the most vulnerable children in our society, we should hang our heads in shame. We were all elected to this House to do that job and ensure that we protect those individuals and young people. I, for one, will do everything in my power to make sure that it is done.

4.24 pm

Siobhain McDonagh (Mitcham and Morden) (Lab): I want to focus on the proposed Bill to give the NHS a constitution. Unlike the hon. Member for Gainsborough (Mr. Leigh), I think that our public services need more public involvement rather than less, and on the basis of my constituency experience, I am sceptical about the suggestion that we should leave professionals to their own devices. I feel that that has led to a slightly unrepresentative NHS that sometimes makes decisions in its own favour as an institution rather than considering the needs of individuals.

In 1996, during the last days of the last Conservative Government, the authorities at St. Helier hospital, which serves half my constituency, made a private, closed decision that the hospital should close and move further into Surrey, further away from those with the greatest health needs living in my constituency. A process was set in motion by NHS officers, who concluded that the hospital should be moved to Belmont, in the Surrey suburbs—one of the areas with the highest incomes and the lowest health needs and, indeed, an area that did not want a big hospital.

How could such a decision be made? I wonder whether it was anything to do with the fact that not one of the 18 board members of Merton and Sutton primary care trust comes from, or lives in, my constituency. They all live in much more affluent areas, and know my area less well. What is more, in an area that is hugely ethnically diverse, all but one of the board members are white. I believe that such boards are set up as they are because people choose other people in their own image and likeness. Potential board members are judged on the basis of whether they are members of other quango boards and whether they have similar experience. The difficult people who tend to challenge the status quo are not included in the selection process.

The NHS later set up a public consultation on where the hospital should go. To no one's surprise, St. Helier was the favourite choice and Belmont the least favourite, but the NHS wanted to stick to its decision. At that point, all the local boards rowed in behind the official NHS view that the hospital should move further into Surrey, despite the opposition of thousands of residents. Depending on whether or not one is charitable, one can believe either that the health service appointed consultants to re-examine the evidence or that it appointed them to manipulate the consultation results in order to suggest that people had voted for Belmont when they clearly had not. Because most people had answered the question "Would you like a hospital near to where you live?" in the affirmative, it was suggested that that constituted evidence that Belmont was near to where they lived, and that that justified the move. Even people living in the Belmont area did not want the hospital there. A staggering number of people wrote to me saying "We do not want our nice residential area to be bulldozed to pieces, we do not want ambulances with blue flashing lights, and we do not want more bus services." No one wanted Belmont, except, of course, the NHS.

Over the years, we had more and more arguments about the issue. Members who have been involved in arguments about hospital reconfigurations, or in any similar campaigns, will know how daunting it is to be faced with a wall of experts and professionals, given the limited resources possessed by many of our communities and, in many instances, by Members of Parliament. My local residents, however, had one thing in their favour. In 2004, the London borough of Merton had a Labour council, which, after being consulted by residents, used its powers to have the decision to close the hospital called in to the Secretary of State. The decision was reconsidered by my right hon. Friend the Member for Airdrie and Shotts (John Reid) and subsequently by my right hon. Friend the Member for Leicester, West (Ms Hewitt): they had listened to the people.

Late in 2005 the then Secretary of State, my right hon. Friend the Member for Leicester, West, instructed the NHS to rebuild the hospital at St. Helier. She agreed with residents that it was better for it to be there, because that was most likely to reduce health inequalities. After all, the life expectancy of people in my constituency is 10 years shorter than that of those living in the Belmont area.

One would have thought that that was the end of the matter, because the Secretary of State had made her decision. However, the local NHS did not give up that easily. There is nobody from our area on its boards, and there is no constitution to say this was unreasonable, so although Ministers told it to build a hospital at St. Helier and to stop working on Belmont, it continued to make progress with its initial plans. It held meetings with Transport for London where it made it clear that Belmont was still the favoured option. It then announced that—lo and behold—planning issues meant that the hospital simply could not be built at St. Helier. It asked the Secretary of State to reverse the Government's decision, and to build the hospital in leafy Belmont as it had originally hoped would happen.

Again, local residents were up in arms. After all this time, why would the local NHS not listen to us? How could it be that there was nobody in the NHS establishment who would represent us? The Government had represented us; the local council had represented us; even the former Mayor of London, Ken Livingstone, had supported us. He told the local NHS, "Look, I'm in charge of London's planning policy, and St. Helier is the right place to have this hospital." The local NHS just would not listen to

us, however, so we campaigned, fought and lobbied, and eventually, after years and years, it looks as if we have won.

I have to say that I think we now have an excellent deal. Not only has St. Helier been saved, but it is going to be rebuilt and refurbished. There will be new wards with single rooms, to cut down on infections and improve patient privacy, a new local care centre, and a new 24/7 GP service. There will also be four care centres, including one at the Wilson, the hospital the Tories closed down in the early 1990s. These care centres will have diagnostics and treatments, and dentists and GPs, open when people want them. Moreover, the Wilson is not just getting a care centre. It will reopen as a hospital, performing minor operations, and with more than 50 intermediate care beds for people recuperating from operations or needing care they cannot get at home.

My constituents have seen a stark contrast between how their views are treated by local and national Government on the one hand and by the NHS on the other. That is because democratically elected organisations are far more likely to represent the views of those who are least able to express their own views. Sometimes it has seemed as if our achievements were in spite of, rather than because of, the NHS. As I reflect on our 11 years in power, I think it would have been much better if there had been a constitution for our NHS earlier, and in particular a constitution that forced the local NHS to listen to patients and staff, and which obliged it to be representative of the communities in which it is situated.

Why, after all these years, have we not had even one local person on one of our NHS boards? Why, too, should the local NHS professional bodies be packed with people who have little connection with my constituency? I am particularly concerned about the composition of my primary care trust's professional executive committee. It is dominated by a practice far away from Mitcham and Morden. The medical committee comprises eight clinicians. The last GP from Mitcham to serve on this board was taken off it more than a year ago. Now all its members are white, even though the majority of the GPs in the PCT are not, and they represent an area that has the best health in the PCT area, rather than the worst. Six of the eight PEC members are from the same commissioning group, the Nelson, even though this group covers possibly the most affluent neighbourhood in the PCT. I should have thought that allowing a single commissioning group to dominate such an important committee was extremely dangerous. Indeed, I have received complaints that this very powerful practice-based commissioning group is at an advantage. It certainly appears to have a disproportionate influence.

I am especially anxious because this extremely unrepresentative committee is taking decisions about health care in my area. Both locally and nationally, we have been told to demonstrate that there is equal access to health services. Even the Conservatives who run Merton council say that bridging the gap between my constituency in the east and the far more affluent west of the borough is the top priority. As I have said, the Government have instructed the local NHS to take more account of health inequalities, but I am not convinced that the PCT can eradicate inequality in the local NHS, because it is not representative of either the local NHS or local people.

I hope that a new constitution will offer us an opportunity to achieve that. I want the NHS to listen to local people and to come from local people. I want it to reflect the people whom it serves and the people who work in it. I support the Government's plan to introduce a new constitution for the NHS, but I want it to ensure that local residents are represented. I want my local NHS to reflect the area that it serves. Over the last four years, foundation hospitals have shown that communities want to be involved in their NHS as a whole, not as a particular interest group or with a particular agenda. The 108 foundation hospitals have more than 1 million members, with turnouts in elections that often exceed local election numbers. If we can get far more people involved and having their say in an institution that unites this country, we will have a much better chance of having a service that reflects the needs and demands of local residents.

4.36 pm

John Hemming (Birmingham, Yardley) (LD): I am pleased to see that the Secretary of State for Children, Schools and Families is back in his place, because, as hon. Members will not be surprised to hear, I intend to talk about the child protection system. For some years, I have been concerned that the system makes the wrong decisions, including both false positives, when it intervenes when it should not, and false negatives, when it fails to intervene when it should.

For some time, I have been trying to identify how many serious case reviews have taken place following the death of a child, because that would provide a threshold from which we could track trends. The Department has been singularly unhelpful. In fact, when I gave up trying to get information out of it and went to all the local children's services authorities, the Department kindly instructed them not to give me their lists of serious case reviews. I am pleased to say, however, that the Chairman of the Select Committee has agreed that the Committee will work to try to find out that information. Ofsted has given us all the figures—including the 210 figure from yesterday—but it has only been tracking the figures from 1 April 2007. The serious case review process has been going on for some time, but it was strongly emphasised by the Laming report. It is a good process and it gives us a mechanism for tracking what is going on.

We should not focus only on one case: we must look at the system and where it is going wrong. We also have to consider the wider aspects, such as the Laming review. Lord Laming is obviously the ideal person to review the extent to which his proposals have been implemented, but he is not the ideal person to review to what extent other proposals should be implemented. The Government have gradually moved towards the idea, which I proposed, that we need to look at the whole system of public family law. That starts with the initial references, moves on to the assessment processes and the integrated children's system, and—if there is a reference—it moves into the family courts, and we have not yet decided to look at how those work. I am still hoping that in January the Committee on Legal Affairs and Human Rights of the Council of Europe will agree to investigate the family division of the High Court. I shall go into some of the reasons why the family division is part of the problem.

[John Hemming]

In the initial process, the local authorities initiate proceedings. They often start with child protection conferences, which are often organised to prevent extended family members from attending. I had such a case today. One of my members of staff agreed to go to a child protection conference in Birmingham with a constituent—I do not know what has happened because I have been in the Chamber—and the time was changed at the last minute. We could say, "Well, that happens sometimes," except that it also happened previously with another constituent. We arranged to accompany that constituent to the child protection conference and act as an advocate, but the authority—this was Solihull rather than Birmingham—changed the time of the conference. We were told, "You've missed it, it's already happened." That is an abuse of process and it should not be tolerated. In a sense, though, it is a symptom of the attempt to drive out the extended family.

We need to be straight about the fact that such things do not always happen. I work with many social workers, and there was a conference in Stafford—also attended, not surprisingly, by the hon. Member for Stafford (Mr. Kidney)—arranged by Rachel Bramble that looked at why things are going wrong in social work. The fact that people are being driven out of the profession is evidenced by all the vacancies that exist, but why do people not want to work in the sector?

The existing process is almost designed to exclude people, but then cases go into a court environment that is frightening and bewildering for people who have never been there before. Indeed, it has taken me some time to understand the processes involved. The House will be aware that I co-ordinate the Justice for Families campaign, and we are approached by people from across the country who are facing care proceedings. We refer matters to local constituency MPs, try to find volunteer McKenzie friends and so on, because there are great difficulties with the legal processes in the courts.

In an earlier intervention, I said that the single-expert system meant that people could not get a second opinion without the judge's permission. Judges tend to refuse that permission, and they pride themselves on the efficiency of the system under which an expert is appointed jointly by the local authority and the parents involved. The problem is that the system is a machine for miscarriages of justice. A number of social workers have complained to me, and last year one explained how he used to collude with parents' solicitors to ensure that the parents would lose their case. That is a criminal offence, but it is very difficult for me to take the matter further, as that would mean the social worker involved having to give evidence against himself.

A case in Oldham would serve well for a review of the single-expert system. The parents were refused a second opinion in both the county court and the Court of Appeal. When they applied again to the Court of Appeal, they were told that they could have a second opinion, which confirmed that the baby had not and could not have been hurt by them. Not only were the parents not guilty; they were provably innocent.

In one sense, the failure to allow a second opinion is based on practice on the continent, where the parties involved have their own experts as well as the one appointed by the court. The idea is that the court-appointed expert can make a decision about the truth of the other expert evidence. In this country, what happens with experts meetings is a move in that direction.

I see a great many cases, of which the Webster case is a good example. Once initiated, a case like that will trundle through the system. Everything happens and the children are adopted, but then all of a sudden it becomes apparent that once again the court has got it wrong. Such problems are driven by the single-expert system.

I proposed an amendment to the Children and Young Persons Bill that would have enabled people to get expert evidence. At present, when the court has gathered all the expert evidence, it is illegal for a parent's solicitor to telephone a doctor and ask whether he or she knows anything about a case. That would be a contempt of court, and it is another example of how the single-expert system is a machine for generating miscarriages of justice. Given that some solicitors also conspire against parents in such cases, the House will see that the situation can be very difficult.

I received a letter from the eastern region of the Legal Services Commission, dated 31 October 2008, that refers to legal aid for a case involving a Mrs. M. It states that

"funding will continue on the basis that Mrs. M should accept that her case is being publicly funded, and that contesting Interim Care Orders, where there is no change of circumstances, is not an issue on which she would expect to be legally represented."

Basically, that means that Mrs. M is allowed non-means-tested funding as long as she does not say no to the interim care order. In other words, she can have a solicitor at the hearing, but she has to agree to the order. That is not the way towards a proper judicial process, and, as I have said, such an approach drives everything else. The Department for Children, Schools and Families has done some good statistical work. Earlier this year, it analysed about 400 cases, and table A2.42 of its report shows what a low proportion of cases are chucked out of court.

There is a problem with the single-expert system. Sometimes, people cannot get legal aid when they want to contest a case; they simply have to accept it and work with it. We need to look at the criteria used to determine when a child is taken into care. The phrase in the section 31 threshold is "risk of significant harm", but that could mean many different things. Obviously, everyone accepts that baby P and Kyra Ishaq should have been in care, and there are many similar situations, but should we put a 16-year-old in care because his parents have split up and he will not talk to one of them? I do not think so, but some judge does.

Domestic violence is a difficult area, and it is challenging for kids. If parents split up and do not see each other because Mum was a victim of domestic violence, should we still be trying to take her children away from her? I do not think so. We learn from women's refuges that women are so frightened of losing their children that they do not actually report domestic violence. Margaret Halliday of the Salisbury women's refuge will provide that information, and I, too, can provide lots of evidence.

Another criterion is secure care for welfare reasons. In some of those cases, children should not be in secure care. There is no evidence that it does anything for them, and they are, in effect, suffering imprisonment without having committed an offence—much like the

boy who will not talk to his mum. Not co-operating with professionals is another reason that does not seem sensible. The mere fact that somebody does not immediately snap to and do exactly what they are told should not be good cause to remove their children and have those children adopted. That does not mean that if the children are missing medical attention because the parents never take medical attention seriously, there is not a grave issue. Another reason is "comments eroding children's self-esteem"; so if the parent tells the kids they are stupid, the children need to be taken into care. I do not think so. Then there is missing school. Obviously kids should be going to school, but we have a one-trick pony—a system whereby at a certain point the child is taken into care. We need much better scrutiny of the operation of the section 31 threshold.

There are important reasons why the system correlates with the false negative environment. It is in part caused by the way the integrated children's system pressurises practitioners into making an early decision about the truth of the case and not changing it thereafter. That is the basis of an article that I have written with Sue White, who is professor of social work at Lancaster university, and Allan Norman, who is a social worker and lawyer based in Birmingham, where he runs his own practice—Celtic Knot. The article has been published on the *Community Care* and *Family Law* websites and in *The Birmingham Post*, and I have also sent a copy to the Minister, so there is no sense in my re-reading out what is available on the internet.

Haringey, like many authorities, has a target, for the number of children in care, which is kept for budgetary purposes. The target for March 2007 was 365, and the target for March 2008 was 352. In part, the objective of reducing numbers in care is laudable. That is also true of trying to reduce the weekly costs, which have run at higher than £800 per child per week. On 3 October 2006 it was noted that the deficit forecast for Haringey council was £4.6 million, which included a forecast overspend for children's services of £2.3 million, including a figure of £500,000 for looked-after children. The executive member for finance said, "I will be working closely with the services concerned, and I will be looking to them to identify ways to bring the budget back on target." It was recognised at that time that the placements budget was running at 381 children and was very tight, and the figure had crept up to 392 by November 2006.

By 31 March 2007, the financial situation had improved, although there was still an overspend of £500,000 on legal fees. The number of children in care had reduced and a new target was set of 352. At the end of the 2007-08 financial year, however, the number of children in care had increased back up to 373, which was 21 more than budget. It appears that controls on the number of care proceedings were tightened up in November 2006, with the 12-month rolling number from November 2006 going below 40 for the first time when they were released in August 2007. The number then went back up above 50, its historical level in recent years. Sadly, baby P died in August 2007.

Given the inherent constraints on the number of children in care, if children are put into care who should not be in care—one of my examples was from Haringey—it pushes resources in the wrong direction, so we have difficulties with that. That is a bit of a run through; I could go on for a long time about other aspects, but two other Members want to speak, and if I can do another five minutes that would be quite reasonable. *[Interruption.]* They are both smiling.

I want to raise mental capacity and the RP case. It is not sub judice, simply because it has been through all the domestic courts and has got to the first stage in the European Court of Human Rights. That case is absolutely appalling in my view. An expert was appointed who said, "Mum's too stupid to instruct a solicitor and therefore isn't allowed to operate her own proceedings." The Official Solicitor was brought in and said, "Sorry, we're going to concede this case. That's it. You've had it." So there was no trial. There was a 10-minute hearing, at which everything said by the local authority was accepted as gospel, and that was it, except for the fact that we have taken it up and said that audi alteram partem—*hearing the other side—is a key part of a trial* process. Interestingly, although the expert at the time said, "Mum didn't have the capacity to instruct a solicitor," another expert has said more recently, "Well, she's obviously got the capacity to instruct a solicitor." In fact, she has done quite well at presenting her own case in the Court of Appeal. I have the transcripts of those hearings if anyone wants to read them, and the case is now in the European Court.

Good news from my point of view is that the Equality and Human Rights Commission is showing some interest in mental capacity and what is happening in the Official Solicitor's office. We have about 180 cases a year where parents are basically excluded from judicial proceedings. They have no locus—something that is not allowed in criminal proceedings, which people have been able to contest since a case in the 1800s. In family court proceedings, it is seen as perfectly acceptable to put parents in a situation where they cannot contest the proceedings.

I have another case, which I call the HP case, in which a lady who does not speak English was given an IQ test in English, did rather badly—whoops—and contacted the Official Solicitor. We went to the Court of Appeal, which said, "Tough." So that quite appalling case is going to Europe as well.

We have international cases where it is thought more important to ensure that no one escapes the family courts in Britain than to look after the children better. I know of two such cases: the one that is well known from *The Times*, and another one that is not so well known, where the court's objective is to get an eight-year-old back to England, away from his or her mother and leave the mother with another baby in situ. When I suggested to the Government that it would be better to put the child first and to transfer the case to the local jurisdiction, the response was, "Oh, no, we can't do that; the courts have to win," even though it is better for the child for the case to be transferred to the foreign jurisdiction.

I want to make a few points about Ofsted, which has been very good in this area. It has started to reveal in its reports some of the truth about how the Children and Family Court Advisory and Support Service operated. It has also revealed the truth about the serious case review. Baby P died in August 2007, and Ofsted started taking responsibility for the sector in April 2007. I do not think that those two things can be correlated. It is a ray of light in an area that has involved people covering up for one another for years.

The problem is that secrecy tends to prevent accountability. In fact, secrecy is often used to prevent Members of Parliament from finding out about such

[John Hemming]

cases. Generally, what the Government say should happen is the right thing. I do not think that the Government's objectives are wrong. The problem is that something quite different actually happens. What is needed is a much wider inquiry, which is independent of people who make money out of the area. Perhaps the departmental Committee can look at that—perhaps the Justice Committee should do so as well—but we need people to look at it who are not interested in sweeping things under the carpet and saying that everything is perfect and that everyone is doing a brilliant job. Some people are doing a brilliant job. Another whistleblower came to me who had faced disciplinary action for telling the truth, which I thought was not very clever. I do not know what has since happened in that case. There are some very good people doing a very good job in difficult circumstances; the problem is that the secrecy has allowed bad practice to develop in an unaccountable way.

I will be happy to meet the relevant Minister and the departmental Select Committee to go through all the details. I met Lord Laming on Monday, although I think the terms of reference of his inquiry are far too narrow. What we need is a wider inquiry, because this matter cannot be kicked into the long grass. Problems arise every day across the country, particularly in England and Wales. Scotland generally has fewer problems, for reasons that I could go into at length, were it not five minutes to the hour—I have said that I will speak for only so long. This is an important issue and both sides of the coin matter. I ask the Government to consider instituting a wider inquiry.

4.55 pm

Mr. David Chaytor (Bury, North) (Lab): I rise to speak briefly in support of the new proposals on health and education in the Queen's Speech and to make a few remarks about the general direction of schools policy.

I endorse almost all the comments that the Chairman of the Children, Schools and Families Committee made on policy, especially his comments on the structure of the debate. I have been a Member of Parliament for 11 years and I have attended every Queen's Speech debate in that time. I may be wrong, but my perception is that each year fewer Back Benchers wish to contribute, or wish to spend time sitting in the Chamber, because of the length of time allocated to Front Benchers. If we are serious about involving more Back Benchers and younger MPs in these debates, we have to take a careful look at the dominance of the Front Benchers.

John Hemming: As a member of the Procedure Committee, let me say that the Committee is considering such issues. If any Member were to refer such a matter to the Committee, I presume that it would be viewed favourably.

Mr. Chaytor: I am pleased to hear that. It is an important matter that should be pursued.

Although I do not want to discuss the Haringey case at length, in the context of the comments made by the Chairman of the Children, Schools and Families Committee, it is striking that in the past few months the important subject of children in care and the position of vulnerable children has moved inexorably up the agenda. It does the Government credit that they have prioritised vulnerable children to a far greater degree than has ever been the case before in our country. Let me say this, however: it is easy to discuss such matters when there is a high-profile case in which the whole country is interested; it is less easy to maintain a high political profile for children in care and vulnerable children in the absence of that high level of media attention. I hope that all hon. Members and the Government will sustain their present interest in policy to improve the position of children in care, even when the media interest dies down.

It is an absolute scandal that children in care perform so poorly in our schools, are so neglected and are so overlooked. In the past few months, we have reached a turning point. I hope that we can maintain a high level of interest in those unfortunate children.

Mr. Stewart Jackson: Does the hon. Gentleman agree that it is a perverse intellectual dichotomy that, every month of the year, detailed information relating to the actions of social workers in children's services is routinely disposed of under the auspices of Ofsted, yet, at the same time, thousands of DNA records of completely innocent people are kept? Do we not have our priorities completely wrong in that respect?

Mr. Chaytor: The hon. Gentleman makes an important point. At yesterday's meeting of the Children, Schools and Families Committee, I was startled to hear the admission by Ofsted's chief inspector that records were routinely destroyed after three months. The defence offered was that it would be difficult to store such a large number of records, but it seems to me that the widespread use of electronic information storage completely invalidates that argument.

Mr. Kemp: I talked to the head of children's services in my local authority, and a key point that they wanted to communicate to me is that in some high-profile cases, but not in the case of baby P, those who cause abuse deliberately travel around and move to different areas so that it is hard for the record system to follow them. Does my hon. Friend agree that we need to consider the issue of people who deliberately move around? There are proposals for a tracking system, and we need to speed that up quickly.

Mr. Chaytor: That is an extremely important point, and it highlights the crucial significance of greater co-operation and communication between police, local authorities, and the national health service. Whenever there is a tragic case such as that of baby P, the media routinely decide to target social workers, but they are less aggressive about the inadequacies in some of our policing systems, and certainly about those in some of our health care arrangements.

Finally on children in care, the reluctance of some local authorities to increase the number of children in care is certainly partly a financial matter, but we have to accept that the quality of institutionalised care that our country has provided over many decades has been appalling. That partly explains the reluctance to put more children into care. If we learned the lessons of some of the Scandinavian countries and provided a higher quality of residential care, and could be assured

that the quality of parenting that children would receive in a residential setting was without question better than that which they had received at home, perhaps we would be less reluctant to put children into care, temporarily or permanently.

On schools policy, in my constituency, since 1997 every primary school, secondary school and GP surgery has had its roof fixed. My local hospital has not only had its roof fixed but has been totally rebuilt. That is to the enormous credit of my party's Government. In addition, there is the welcome prospect of seven new local health centres being built in the very near future. My local authority is on the verge of being able to rebuild or refurbish all its secondary schools, where necessary.

The chief executive and the director of children's services in Bury are keen to support the bid that they submitted on 20 November to the revised Building Schools for the Future programme. The Secretary of State for Children, Schools and Family is likely to be in north-west England in early January, and it would be extremely useful if he could find time to visit Bury and talk to the chief executive of the local authority and the director of children's services about the very good plan that the local authority has submitted to the BSF programme. My constituents could then look forward to the most dramatic schools rebuilding programme that they have ever seen. That is enormously to the Government's credit

Also enormously to the Government's credit is the inexorable rise of standards in schools over the past 10 years. It is unfortunate that each year, when the GCSE, A-level and key stage test results come out, parts of the community, and Members in parts of this House, routinely want to rubbish the improving standards and achievements of our children.

It is unfortunate that the Chairman of the Public Accounts Committee has left the Chamber, because he raised a number of interesting issues, on many of which I could agree with him; there is a good deal of common ground between us. He raised a number of issues to do with micro-managing our schools system. That is astonishing coming from someone of the party that introduced the Education Reform Act 1988, which imposed on a generation of young people the most micro-managed system imaginable, and which resulted in the hugely prescriptive national curriculum, Stalinist forms of testing and assessment, and the unbelievably inaccurate league tables that are routinely published, and which drive the behaviour of head teachers in our schools. It is beyond belief that anyone who supported that legislation could accuse this Government of wishing to micro-manage our school system. One of the most interesting developments of the past 12 months is the recognition, not just by the Government but in all parts of the House, that the era of the ERA—the Education Reform Act—has probably come to an end. We have exhausted the advantages gained from the 1988 Act—and there have been some—and we have to build on that and move on. The shift of direction to a more comprehensive approach to children's services, with a greater emphasis on children's well-being and a new focus on the remaining inequalities in our school system and on the importance of social mobility, is welcome, and I look forward to the proposed legislation in the Queen's Speech significantly advancing that new agenda.

Annette Brooke: Like the hon. Gentleman, I applaud the movement towards looking at important objectives such as social well-being. However, does he agree that the Government do not appear to have taken on board the fact that there is a great deal of teaching to the test, particularly at key stage 2, which has narrowed the curriculum unnecessarily for many children?

Mr. Chaytor: That is an important point, but I do not agree with the hon. Lady, because the statement by the Secretary of State some weeks ago—in fact, it was made in the week in which she and I were on a Select Committee visit to Canada—made the biggest change to the testing and assessment system since 1988, and fully recognised the damaging effect of teaching to the test. In fact, I was going to go on to praise the Secretary of State for making that statement and changing our testing and assessment system, and essentially getting rid of the increasingly redundant key stage 3 test, and for leaving the door open to future reforms to the key stage 2 test. The progress that we have made in the past few months on testing and assessment is hugely welcome. The progress on curriculum reform, with the publication of the Rose review and the new freedoms for individual schools to be more flexible about the curriculum so that they can tailor it more to children's individual needs and develop a more personalised approach to the curriculum, is hugely welcome.

A consultation was launched this week, and the notion of a school report card replacing the bog-standard league table is hugely welcome. I hope that there will be adequate time for all hon. Members to consider what ought to go into the new school report card, which I hope will abandon once and for all the idea that raw scores are the only measure of a school's success. I look forward to the far more sophisticated but easy-to-understand form of a report card that will give full recognition to the complete range of a school's achievements.

There are two points on which I want to focus in a little more detail, beginning with my annual comment on school admissions. The Secretary of State will know of my interest in the subject, and that the Education and Inspections Act 2006 made significant improvements to the admissions system with the new code. Only this week, the Government published the revised code on school admissions, which will take effect early next year. I welcome it as another step towards a fairer admissions system that is likely to lead us a little further down the road to a better-balanced school intake. As all the international research indicates, countries that have balanced school intakes and that have the least inequalities and the flattest hierarchies between schools by and large perform better on all educational criteria. I welcome the new duty on the admissions authorities to meet the needs of the local area, and I welcome the improvements to admissions forums so that they, too, are more representative, and have to consider the fairness of admissions policies for that area.

There is one element in the new revised code that I hope the Secretary of State will speak about in his closing remarks: the school's ethos. The Department's press release says that schools will be allowed to advise parents of their ethos during the application process and ask that children respect that ethos. Will the Secretary of State assure the House that the issue of ethos will not

[Mr. Chaytor]

become a criterion for the selection of children? If that does happen, and if children, or parents on their behalf, have to sign up to a particular ethos as an admission criterion, it will be a hugely retrograde step. I would be grateful if the Secretary of State commented on the question of ethos in his winding-up speech.

Mr. Stewart Jackson: Would I be right to infer from the hon. Gentleman's comments that the Labour party is against schools having an ethos of, say, excellence for all pupils in a community? I wonder what the rationale behind his comments is. Is he against excellence? Is he against schools moving forward throughout the community?

Mr. Chaytor: With respect, that is a pretty fatuous question, because obviously I am not. My point is that there is an important distinction between requiring parents to say that their children will accept the ethos of the school and allowing schools to select which children they wish to admit. That is the fundamental distinction I am trying to make.

Allowing time for the final speakers in the debate, I would like briefly to make one other point, which concerns the 14-to-19 phase of education. The Government have made enormous progress in the past two or three years on that issue. They have done so 10 years later than they should have done; we should have been grappling with the 14-to-19 sector as soon as we were elected in 1997. Nevertheless, I welcome the progress that we have made. Two issues emerge, however, from the establishment of this as a distinct sector, and from the development of diplomas as the central part of the curriculum in that sector. The first is the question of funding. My right hon. Friend the Secretary of State will know that for many years there has been an enormous discrepancy—as much as 15 per cent.—between the per capita funding of students in the 16-to-19 phase of education and the rest. I welcome the fact that that discrepancy has recently been reduced; I understand that it is now down to 9 per cent. Given the structural changes in 16-to-19 education and the handing back to local authorities of the funding responsibility, is it not self-evident that we must have a uniform funding system, not only for the 16-to-19 phase, but for the 14-to-19 phase? I would be grateful if the Secretary of State commented on equality of funding between institutions in the 14-to-19 sector.

My final point on that sector, and of my contribution, concerns the structures of 14-to-19 education. One of the issues that I found controversial in the 2006 Act was the power of presumption that schools currently without a sixth form could open one. I have raised that point with the Secretary of State before, and I raised it with the Secretary of State for Innovation, Universities and Skills. As we move to an era beyond 2011 where the annual rise in public investment will be far less than it has been during the past 10 years, the last thing we want is an enormous explosion in the number of new, small sixth forms. All that will mean is that the cost of educating each student will be disproportionately higher, and we will not get the economies of scale increasingly necessary beyond 2011. It has been a concern to many of us that the academies programme, of which I am a strong supporter in most respects, although not every detail, was originally built on the assumption that every academy would have its own sixth form. So, hey presto, there were 400 new sixth forms at a stroke—even though there were not enough young people to fill them. I welcome the fact that that is no longer a requirement of academies and that they can be founded without a sixth form. The majority of our sixth-form colleges perform outstandingly and there has been a rapid improvement in the performance of the overwhelming majority of our further education and tertiary colleges. I am fortunate in having two of the most outstanding colleges in the country in my constituency—the Holy Cross sixth form college and Bury college. I realise that that does not apply to every part of the country, but it must be increasingly self-evident that the most economically effective and educationally advantageous way in which to deliver the new 14-to-19 phase of education is through the college sector, not through the proliferation of small sixth forms.

I confidently predict that if the Government do not take this issue far more seriously than any previous Government, perhaps not by the end of the next Parliament, but certainly by the one after, we will have to close large numbers of sixth forms because the budget will simply not stretch to cover those costs. Again, I would be grateful if the Secretary of State took this on board and perhaps opened up a dialogue with our right hon. Friend the Secretary of State for Innovation, Universities and Skills, because it is an issue that obviously covers both Departments. If we are to make the 14-to-19 sector a success and implement our plan to increase the education and training participation age, it is crucial to recognise that it can only be done by strengthening the college sector and increasing the role of colleges in the delivery of that phase. I am afraid that that means a reduction in the number of independent sixth forms.

5.16 pm

Jeremy Wright (Rugby and Kenilworth) (Con): I shall focus on just one aspect of today's discussion about the Government's programme of activity for the forthcoming legislative Session: the national dementia strategy, to which the Secretary of State for Health referred in his opening speech. At the outset, I should say that I fully welcome the concept of a national dementia strategy, as, I suspect, do most Members. It is immensely important, and has been for a significant time.

In August 2007, the former care services Minister, the hon. Member for Bury, South (Mr. Lewis)—not the other Bury Member, the hon. Member for Bury, North (Mr. Chaytor)—said that we should work to bring dementia out of the shadows. He was entirely right to say that and I applaud the Government for acting on that impulse and arranging for a national dementia strategy to be brought forward. I hope that the House will forgive me if I cover the reasons why a national dementia strategy is so necessary and why dementia is such an important subject.

The figures may be well known to hon. Members, but I will repeat them. Some 700,000 people in the UK now have dementia. That figure will probably double in the next 30 years, and the cost to the UK economy will treble during that period. That is a significant figure, because the current estimated cost to the UK economy is £17 billion a year, which is more than the cost of heart

disease, stroke and cancer combined. Those are very significant figures, which is why the strategy is, as I said, extremely welcome.

The strategy is welcome, at least in part, because a problem of that scale should never be ignored. That fits into the context of what other hon. Members said earlier about mental health issues more generally. It is true, and worth recognising, that people do not like to talk about mental health issues in the same way as they like to talk about physical health issues. Some stigma is attached—and that is true of dementia.

It is not just recognition of the scale of the problem that we require. We also need people to have the courage to come forward and explain that it is happening to them, and how they are coping with it. In the context of dementia, one of those people is the author Terry Pratchett, who the House will know has recently revealed that he has a form of dementia. Since then, he has actively campaigned on the subject, talked a great deal about research, and described what has happened to him in terms of a tsunami that will hit the United Kingdom. He is right to talk in those terms.

Two aspects of a tsunami are important, and someone who is about to be hit by one will want to know two things. First, they will want to know how big the wave that is about to hit them is; I have said a little about that. Secondly, they will want to know when it will hit. How urgent is the problem? It is with regard to the urgency of the problem that I have some difficulties with the Government's position. I have no doubt that the Government have done entirely the right thing in arranging to introduce a strategy, but I am becoming a little concerned, as I know others in the field are, that the Government's sense of urgency has started to slip.

When the former care services Minister spoke about his intention to introduce a strategy, he said that he hoped that it would be available by the summer of 2008. However, the Department of Health issued a press release on 19 July that said:

"The full Strategy, to be launched in the Autumn, will have three main aims".

I shall return to those aims in a moment, but it became clear at that point that the Government wished to introduce the strategy in the autumn. We know that the Government have a very flexible concept of autumn, but we are clearly no longer in the autumn now. We then asked the current care services Minister when exactly we might expect the strategy. I asked the Secretary of State that question today, too. The Minister has said that it will be introduced shortly and, under further cross-examination, that that might mean early in the new year.

I understand that things are difficult in government. Other priorities arise, and the Government sometimes find that time scales slip a little. However, an issue of such importance and urgency must be dealt with expeditiously. Those involved with dementia—those who have it, those who care for them, and the professionals working in the sector—regard the situation as urgent. They feel that they have persuaded the Government of that—indeed, the Government have made it clear that they regard dementia as a priority. With that must come a sense of urgency, but if time scales continue to slip, that urgency must fall into doubt, which would be extraordinarily regrettable.

The one aspect of the strategy that I urge the Government to regard as especially important is training. Training applies to various different aspects of dementia, and in various ways to those involved with it. The draft consultation document on the dementia strategy says that it will have three main aims. The first aim will be

"to increase awareness of dementia and remove the stigma associated with it,"

the second to

"ensure early diagnosis and intervention,"

and the third to

"improve the quality of care that people with dementia receive"

There can be no argument about any of those aims, and training is key to delivering the second two.

I want to talk about two aspects of training, the first of which is training for general practitioners. They are, as the name suggests, practitioners of general medicine. No one expects them to be experts in every medical condition. However, one of the problems that we face in dealing with dementia is that general practitioners are extraordinarily reluctant to make diagnoses. I suspect that the failure to make such diagnoses is in many cases down to reluctance rather than inability.

It is often said—rightly, in my view—that where we are with dementia now is roughly where we were with cancer 30 or 40 years ago. There is sometimes a sense in the medical profession that it is not worth diagnosing dementia because nothing can be done. One of the problems is that that is largely true. There is currently no cure for dementia, and there are no effective treatments. However, it is not true that absolutely nothing can be done. Any support for or understanding of those with dementia is of such immense value to them and those who care for them that it is worth making any diagnosis as early as possible. If we expect general practitioners to make diagnoses, as we want them to, we will need to give them the training to allow them at the very least to recognise the signs, and to refer patients to a specialist medical practitioner who can then make a diagnosis.

Mr. Stewart Jackson: I pay tribute to my hon. Friend's work on the all-party group on dementia. Does he agree that it is imperative that the review in the new year, if it arrives, should raise the disparity between government and other funds going into research into dementia, and those going into research into other conditions? We need a public debate, to ameliorate the problems that he has raised.

Jeremy Wright: My hon. Friend is absolutely right about that. The timetable for research is also slipping. The Government have quite rightly suggested that there should be a research summit, and when the Department of Health's press release was issued, it said that that summit would be held over the summer—in other words, over this past summer. That clearly did not happen either; the timetables are slipping. My hon. Friend is also right to say that the level of funding for dementia research is minimal compared with the funding for so many other conditions. It becomes all the more important to invest in research when we have no cure and no effective treatments, because we are not going to find either unless a substantial amount of research is done.

Rob Marris: The hon. Gentleman is making a well-informed and thoughtful speech. A moment ago, he referred to training. Does he agree that some general

[Rob Marris]

practitioners need training in Alzheimer's, for example, to make them aware that it can strike young people in their late 20s? As with other forms of dementia, it is often thought to be solely an older person's disease but, sadly, that is not the case.

Jeremy Wright: I entirely agree. The problem with dementia is that they have got you coming and going. A doctor will often be unwilling to accept that young-onset dementia could possibly be the explanation, and in cases of older-onset dementia they might well say that there are plenty of other explanations for the symptoms, and that this is simply what happens when people get older. The hon. Gentleman is absolutely right to draw our attention to young-onset dementia, and we also need to persuade the medical profession to have the courage—as well as the knowledge—to make these diagnoses in cases of older-onset dementia.

Training is also important in another respect—training for those who care for people with dementia, either in a residential care home setting or as visiting social workers for people with dementia who live at home. It is crucial that such people have an understanding of what dementia is, how it affects people and what can be done to ameliorate its symptoms. It is remarkable that anyone who works in a care home has to receive training in lifting, handling, fire regulations and many other things, yet they do not have to undergo even one single hour of training in dementia. That is even more ridiculous when we consider that a substantial proportion of the care home population—perhaps some two thirds of them—have dementia, and that that proportion is likely to increase.

The policy of this Government is—as, I am sure, the policy of any future Government would be—that people should be cared for in their own homes for as long as possible, and for as long as they wish. That means that those who have to be cared for in a residential environment will, generally speaking, be those who cannot be cared for at home, and substantial numbers of those people will be in that position because they have an advanced form of dementia. It is therefore becoming more important than ever that those who work in a care home environment understand dementia and receive training in it. The Government's dementia strategy states that training is important and that the strategy will cover it. I very much hope that when they put the final touches to the strategy, they will recognise how important that subject is, and that it should run through all the aspects of dementia that the strategy rightly seeks to address.

In my last point, I want to link what I have been saying to the theme that has rightly emerged in many hon. Members' speeches today, by saying something about the tragedy of baby P and all that surrounds it. The argument for training for the broader social work profession is also relevant here. We need a better-trained social work profession. We know that numerous substantial mistakes were made in the case of baby P, and in other cases that we have heard about, and it seems to me that training is part of the answer. However, training can be of real value only if we can retain the staff who have been trained. One of the problems in the social work profession generally, and in the care home sector in particular, is that it is very difficult to keep members of staff in position for long. There is a huge amount of churn in the profession. People do not stay in one job for long, and the training that they have received may go to waste if they move on to another job or occupation.

We need to examine ways of keeping people in their jobs for longer, and one of the ways of doing that is to recognise that the caring professions are just that. First, they are made up of people who wish to care. Secondly, they are made up of people who wish to be treated as professionals. We have to allow them to achieve both those aims. One of the counter-intuitive aspects of the baby P incident, it seems to me, is that when we hear about those terrible failures in the social work profession, we put down social workers as a result. As I say, however, counter-intuitively, the right answer may instead be to raise up the social work profession and say how important it is, if we expect people to act as qualified professionals with good judgment, and to give them the training and then the space to exercise it. That is a hugely important lesson to draw from this episode: it is not an easy lesson, but it is an extremely necessary one.

Let me finish where I began—on the dementia strategy—and say to the Government simply this: I welcome the strategy, as I think most sensible people would, but the Government have raised many hopes in bringing it forward, so they must not disappoint. The strategy must deliver not just the detail but the urgency that the Government promised. We must see it brought forward soon, because it seems to me that there are few more important things that any Government can do.

5.31 pm

Michael Gove (Surrey Heath) (Con): I thank you, Mr. Deputy Speaker, and the Government Front-Bench team for their understanding in allowing me to leave the Chamber briefly earlier in order to see my daughter's nativity play. Even though we all face tough economic circumstances, I know that all hon. Members will want to find time in their schedules for seasonal festivities.

I was particularly pleased to read about the great fun had by all at the Christmas party held by the Secretary of State at the Department for Children, Schools and Families. I understand that, as well as wine and canapés, the Secretary of State also laid on for members of the press a Scalextric demonstration, a Nintendo Wii and some Star Wars light sabres. Those were not products acquired during the seasonal sale that Woolworths has just launched to celebrate the life-saving effects of the recent VAT cut; nor were they the toys that the Prime Minister threw out of his pram on hearing what the German Finance Minister thought of his policies. They were, in fact, there to help members of the press celebrate the first anniversary of the children's plan.

I also understand that the climax of the party was a light sabre duel between the Secretary of State and Mr. Michael White of *The Guardian*, modelled on the epic duel between Darth Vader and Obi-Wan Kenobi in Star Wars—these are serious times and we need serious people. I also understand that the Secretary of State won, and I am sure that, as he triumphed, he uttered the words that the Home Secretary spoke to my hon. Friend the Member for Ashford (Damian Green) just the other week—"May the force be with you". But whether or not we believe in the force, and the power of the dark side, I am sure that we can forgive light-heartedness at this time.

Of course, some hon. Members may have been in good spirits yesterday for reasons other than the formal anniversary of the children's plan. They may have been listening to the Prime Minister taking pride in his global rescue plan. Well, we now know what the man in charge of Europe's biggest economy thinks of that. The Prime Minister may believe, in his more modest moments, that he is Franklin D. Roosevelt, but the truth is that he is closer to a political Max Mosley: he thinks he is king of the world and he has clearly got money to burn, but all people remember is that he got a terrific spanking in German. *[Interruption.]* Thank you.

We have had a good debate this afternoon. My hon. Friend the Member for South Cambridgeshire (Mr. Lansley) brought his customary authority and gravitas to discussion of the NHS, underlining his reputation as a stalwart friend of health professionals everywhere. The Secretary of State for Health made the traditional partisan points with his customary lightness of touch and discussed forthcoming Bills in a way that reminded us why he is such a valued member of this Government.

The hon. Member for North Norfolk (Norman Lamb) brought his considerable intellect and passion to bear, and I welcome the increasingly reformist focus of Liberal Democrat health and education policy. The hon. Member for Huddersfield (Mr. Sheerman), the Chairman of the Select Committee on Children, Schools and Families, spoke comprehensively and well, and with particular authority on the need to improve child protection. My hon. Friend the Member for Gainsborough (Mr. Leigh), Chairman of the Public Accounts Committee, combined a proper regard for efficiency in the public sector with pungent prescriptions for reform, not all of which I necessarily share.

The hon. Member for Gateshead, East and Washington, West (Mrs. Hodgson) made a series of telling points on the need to improve support for children with special educational needs. My hon. Friend the Member for Ilford, North (Mr. Scott) spoke with great passion about the need to improve the service that his constituents get from the NHS. He also made a powerful plea on behalf of children with special educational needs.

The hon. Member for Mitcham and Morden (Siobhain McDonagh) spoke persuasively in favour of the NHS constitution, using her constituency experience to powerful effect. The hon. Member for Birmingham, Yardley (John Hemming) spoke, as he has done so often and with such passion, on child protection. In an intervention, he asked specifically whether we agreed with the terms of Lord Laming's inquiry. We do not, as we made clear in a letter to Lord Laming. We fear that they are too narrow. We want Lord Laming to ask not just whether his 2003 recommendations are being followed, but whether we need to do more to reform the child protection system.

Lord Laming has said that the foundation of current children's services is robust, but we are not persuaded of that assertion. He also argues that serious case reviews, including the serious case review in connection with baby P, should remain confidential. We disagree. We have nothing against Lord Laming as an individual—indeed, he was patron of the commission on social workers, chaired by my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) just the other year, which produced many recommendations that the Secretary of State now appears to be implementing—but we think that it is important, as I am sure the whole House would agree, for there to be no bar on serious questions being asked on raising the bar in child protection.

The hon. Member for Bury, North (Mr. Chaytor) made a characteristically thoughtful contribution on child protection and schools policy, and my hon. Friend the Member for Rugby and Kenilworth (Jeremy Wright) spoke movingly and effectively about what we can do to help those living with dementia.

I can freely praise one or two speeches that I was not able to hear in full, because the notes taken by my colleagues on the Front Bench have been so generous. I can also praise the Secretary of State's speech, which I have not yet heard, because I know what is in it—not because it has been leaked to me by the Department for Children, Schools and Families, but because he displays an admirable consistency in the political message he propagates. Whatever the occasion, wherever the platform, whoever the opponent, he repeats the same line: we on the Government side are saints who are investing in stronger motherhood and much more apple pie, and the other guys—it can be Scottish nationalists, Liberal Democrats or even German Social Democrats—are monsters from the Jurassic era who will cut, cut and cut again.

Psychologists have a term for people who repeat the same behaviour over and over again, whatever the circumstances and whatever the efficacy. They call it obsessive-compulsive behaviour. But any such diagnosis of the Secretary of State's approach would be mistaken. Another psychological term captures his approach much more accurately. It is called transference. Transference occurs when people accuse others of behaviour which they themselves exhibit. If Jeffrey Archer accuses someone of embroidering the truth, that is transference. If Simon Cowell accuses someone of arrogance, that is transference. If Peter Mandelson accuses someone of irresponsible leaking, that is transference. When the Secretary of State accuses others of wanting to inflict cuts, that is actually what he has been doing.

Before the last election, the Secretary of State told us that a Tory Government would reduce future spending by £35 billion, but now his Government are reducing spending by £37 billion. His own Department is not immune. Let us look at some of his budgets, such as the budget for Building Schools for the Future. On school building, he has failed so far. We were promised 200 new schools by the end of this year. We have had fewer than 20. Now local authorities have had to go cap in hand to the European Investment Bank for money for school building because none is available in Britain. The pre-Budget report says, ominously:

"DCSF is assessing the value for money of Building Schools for the Future".

A senior Treasury source was quoted as saying of the school building programme that

"it's clear we're going to have to scale it back and scrap some considerable parts of the programme."

On child care, the Secretary of State has failed so far. We were promised by the Prime Minister that we would have for every three and four-year-old an entitlement to 20 hours of free child care, and we were promised an extension of that entitlement to all two-year-olds. But again, in the pre-Budget report we are told that that

[Michael Gove]

entitlement will not be extended to 20 hours for three and four-year-olds, and the entitlement for two-year-olds will not be extended to all—so cuts again.

On diplomas, the Secretary of State has failed so far. We were promised that 50,000 students would take these new qualifications—then 40,000, then 30,000, then 20,000. Now the number is 12,000 and falling. In a parliamentary answer that I received today, we discover that funding for diplomas is going down as well. It is being cut from £117 million in 2008-09 to £78 million in 2010-11. That is a 34 per cent. drop in funding. So there are cuts in that programme too.

I feel sorry for the Secretary of State having to make these cuts. It is not his Department's fault. He should really take the matter up with the team who have been responsible for economic management over the last 10 years and who have landed us in this mess. Perhaps he should have a word with the man who has been principal economic adviser at the Treasury for the last decade: the chap who designed the regulatory regime that allowed the banks to behave as they did.

I commend to the Secretary of State an article in today's *Daily Telegraph* by Dr. Irwin Stelzer, who says:

"It is beyond question that Britain's problems stem in part from its fractured regulatory system, with responsibility split between the Bank of England, the Financial Services Authority, and the Treasury. A close study of the relevant documents fails to reveal that this system was forced"

upon us by the United States, says Stelzer, adding that

"it sprang full blown from the brains of Chancellor Gordon Brown and his sidekick, Ed Balls."

The guilty men are there in front of us.

Ed Balls *rose—*

Michael Gove: The Secretary of State will have an opportunity to respond in due course. I must make progress if I am to finish my speech within the allotted time.

The Secretary of State is an intelligent man with many decent instincts—

Ed Balls *rose—*

Michael Gove: The Secretary of State will have an opportunity in a second.

I am afraid, however, that like many talented young people the Secretary of State has fallen in with a bad crowd—in his case, the Brownites. Since getting in with this gang, the Secretary of State has been determined to live according to its members' aggressive rituals, the most important of which is the drawing of dividing lines. He has tried to draw dividing lines on all the issues that I have mentioned, although in doing so he merely exposes his own weakness. He is just like a gang member who wields a weapon but only harms himself.

Ed Balls *rose—*

Michael Gove: The Secretary of State will have an opportunity in a second.

The Secretary of State should appreciate the limits of aggression and try a different path.

Ed Balls *rose—*

Michael Gove: In just a few minutes' time, the Secretary of State will have an opportunity to speak for 15 minutes, and I look forward to hearing from him then.

The real story of the Queen's Speech, and the biggest dividing line in British politics, is the divergence between the path trodden by the Secretary of State and the road taken by the Secretary of State for Work and Pensions.

Ed Balls *rose—*

Michael Gove: Oh, all right then.

Ed Balls: Can the hon. Gentleman guarantee that he and his party will match the DCSF's public spending on education this year, next year and the year after that? Can he give that commitment?

Michael Gove: I shall wait to see what the Secretary of State actually pledges to commit to education spending. Until we know the details of what he is spending, we cannot know what to match and what to increase. We know, for example, that diploma funding has been cut, but we found that out only today. As the pre-Budget report unravels and as we discover the reality of what is going on, we will come up with the answers that the Secretary of State himself has so far failed to give.

I was talking about the divergence between the path trodden by this Secretary of State and the road taken by the Secretary of State for Work and Pensions. While the Secretary of State for Work and Pensions is pressing ahead with reform, taking on vested interests and challenging the left of his party—creating, indeed, a radical new centre-ground consensus—the Secretary of State for Children, Schools and Families is opting for none of the above. While welfare reform, and the spirit of Blairism, live on in the heart of the right hon. Member for Stalybridge and Hyde (James Purnell), the cause of schools reform, which was championed by Mr. Blair at the start of this Parliament, has now been put to sleep by the right hon. Member for Normanton (Ed Balls). Academies have had their freedoms curtailed; Lord Adonis has been shunted into a siding at the Department for Transport; Bruce Liddington, the schools commissioner responsible for diversity in schools, has been dismissed and not replaced; and Sir Cyril Taylor, the guardian of the independence of academies at the Specialist Schools and Academies Trust, has been dispensed with as well.

In his education Bill, the Secretary of State plans to introduce more powers for bureaucrats, more new bureaucracies and more bureaucratic burdens on teachers. That represents a tremendous missed opportunity. It is sad that in this Queen's Speech there was so little of conspicuous merit, apart from those welfare proposals which the right hon. Member for Stalybridge and Hyde largely copied from the recommendations of my hon. Friend the Member for Epsom and Ewell (Chris Grayling). In that sense, the Gracious Speech was mostly old, with very little new; most of that was borrowed, and all of it was blue. Members will perceive an irony there. When Opposition Members are given Government papers and

publish them, they get arrested. When Government Members get Opposition papers and publish them, they get a fresh White Paper and rave reviews. It is a course that I recommend to the Secretary of State.

What this country needs is a Government committed to reform, ready to tackle vested interests, determined to extend parental choice and convinced of the benefits of diversity. What this country needs is a Government who, instead of searching for dividing lines, seek unity around reform, instead of generating bureaucracy for those on the front line, believe in freedom for professionals, and instead of presiding over economic turmoil and falling living standards, offer change, optimism and hope. That is why we desperately need a Conservative Government, and that is why I commend the amendment to the House.

5.45 pm

The Secretary of State for Children, Schools and Families (Ed Balls): I am grateful to the hon. Member for Surrey Heath (Michael Gove) for giving me advance notice of something this afternoon, and I think that I probably owe him an apology. He wrote to give me advance notice that he would be absent from the Chamber for his daughter's nativity play, which was very courteous of him, but I, unfortunately, did not give him advance notice of my intention to intervene on him. If I had done so, he might have had the chance to write into the script of his speech the answer to my intervention, because I have to say once again that, as has been the case time and again in the past year, what we have had from the hon. Gentleman is a well-written, erudite, humorous and insubstantial speech.

I shall now move on to the substance. I want to do so by, without patronising Members, thanking them for their contributions to this excellent debate, with the exception of the speech that we have just heard. We might have some disagreements about methods, but there is common agreement that we want to do the best by the children of this country for their safety, education, well-being and happiness. There has been clear commitment to that in speeches made from all parts of the House, some of which I shall now mention.

My hon. Friend the Member for Gateshead, East and Washington, West (Mrs. Hodgson), whose Bill on information for children with special educational needs will be very important indeed, made an important speech in which she talked about training for teachers with SEN specialities. The hon. Member for Ilford, North (Mr. Scott) also talked about the importance of making sure that there is proper training in SEN for those teachers, and I thank him for his contribution.

My hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) made an important speech on health, and on the fact that we need to involve local communities in the management of health services.

Although I do not agree with everything the hon. Member for Birmingham, Yardley (John Hemming) has said, I know he is committed to the cause for which he campaigns, and I can say to him today that, following the Ofsted reports of recent weeks, we will be able to give him the detailed information that he wants on serious case review numbers.

The hon. Member for Rugby and Kenilworth (Jeremy Wright) made a speech on dementia, which is not an area in which I have expertise. I know that he wants a Government strategy to be implemented sooner rather than later, but when that strategy is published, I am sure that he will contribute to the debates that follow on the important subject of how we make sure we take forward care for people with that disease.

This Queen's Speech takes forward the commitments that we made in our children's plan and, one year to the day after its publication, our progress report, "One Year On"—to make sure every child can succeed, to tackle all the barriers to children's progress in and out of school and to work together, and intervene early, to make sure children are safe and properly protected and that their well-being is promoted. In the Queen's Speech, we committed to set out in law the responsibility of all of us to do the following: to keep children safe through children's trusts; to establish the legal basis for our new standards regulator, Ofqual; to strengthen our intervention powers to ensure that all schools can be good schools and all local authorities can tackle underperforming schools; to give schools more power to tackle bad behaviour; and to reform the provision and funding of 16-to-19 education. Opposition Members claim that there is nothing in the Queen's Speech, but nothing could be further from the truth.

Ann Coffey (Stockport) (Lab): One of the failures identified in Haringey was the insufficient challenge by the local safeguarding children board to its members and front-line staff. Often the chairs of these boards are also the chairs of children's services. Has the Secretary of State given any further consideration to the conflicts of interest that arise in that situation, and to having independent chairs?

Ed Balls: I have done, and I have made it clear that no serious case review should be chaired by anyone other than an independent person. In those areas that have had an inadequate serious case review, we are now asking an independent person to review the case and to report to us as soon as possible.

Haringey has been the subject of debate for hon. Members on both sides of the House. We and our constituents have all been shocked and appalled both by the terrible suffering that that little boy endured and by the failure of services to act and intervene early to ensure that he was properly protected. We have acted, with cross-party support, for which I am grateful, to make changes in Haringey. We have also established, through Lord Laming, a process to produce an urgent progress report on the implementation of the Every Child Matters reforms. With Ofsted, we are also taking forward reforms to the serious case review regime. I have also announced today a new national task force to investigate how we can further enhance training and support for social workers. I hope that my work with my right hon. Friend the Secretary of State for Health on the reform of social work will also have cross-party support.

Mr. Graham Stuart (Beverley and Holderness) (Con): As the Secretary of State will be aware, the chief inspector of Ofsted told the Select Committee yesterday that three children a week were dying as a result of abuse, whereas the Department suggested that the true figure was a third of that. Can he explain that discrepancy?

Ed Balls: I can—I explained it this morning, but I will set it out in further detail. Ofsted's figures use a wider definition of harm. In the case of the children in the Department's figures, a serious case review had been done because of a direct act of harm that led to the child's death at the hand of a parent or other family member. The Ofsted figures include, for example, the death of a young person in which there is a suspicion of neglect, but the cause of death, such as anorexia nervosa or suicide, is not direct murder or manslaughter by a parent. That explains the difference.

I would like clarification on one point from the hon. Member for Surrey Heath. Earlier, the hon. Member for South Cambridgeshire (Mr. Lansley) made it clear that he supported Lord Laming's work to ensure that his reforms are being properly implemented. At the weekend, according to *The Sunday Times*, the hon. Member for Surrey Heath said that he had issued a declaration of no confidence in Lord Laming, the former chief inspector of social services who is conducting an independent review. It would be helpful to clarify that the hon. Gentleman has confidence in Lord Laming and that he is happy for Lord Laming to carry on with that work.

Michael Gove: I explained in my speech, when I referred to the remarks by the hon. Member for Birmingham, Yardley, that I have nothing against Lord Laming—*[Interruption.]* If the Minister of State, Department of Health, the hon. Member for Corby (Phil Hope) had been listening, he would know that I said that I had concerns about the terms of reference, but nothing against Lord Laming.

Ed Balls: That is a helpful clarification that *The Sunday Times* was wrong on that point.

The hon. Member for North Norfolk (Norman Lamb) made some important points about the particular practices of health services in the Haringey case. I assure him that the re-running of the independent serious case review and the wider work being done on the Haringey case by the Healthcare Commission will ensure that the points that he raised are properly addressed. It would be wrong for me to prejudge that review now, as it is ongoing. The points made by the hon. Gentleman, and by the Chairman of the Select Committee, about ensuring that we have the best on-the-ground inspection, are absolutely right. I know that Ofsted is also committed to ensuring that the inspection regime is robust in safeguarding cases. I will ensure that that happens.

John Hemming: He who pays the piper calls the tune. Who will appoint the independent chair of a serious case review? Will it still be the director of children's services, or will it be Ofsted?

Ed Balls: The appointment will be made by the local safeguarding board. In Haringey, that board is now independently chaired by Graham Badman, the former director of children's services in Kent. That will be a matter for each area to decide.

Some wider issues to do with health were raised, and it was a learning experience for me to listen to the debate. I was pleased to hear the Liberal Democrats acknowledge the dramatic improvements in the NHS over the past 10 years. With my right hon. Friend the Secretary of State for Health, I visited the brand new hospital currently being built in my constituency. I was able to see how the investment is being put to good use, but I was surprised to discover today that not only do the Conservatives oppose the new GP centres that are being opened around the country—a Conservative Government would close them—but they oppose the action being taken on tobacco advertising in shops.

We want to make sure that our children and young people are safe and properly protected, but it is no great surprise that Conservatives and some Liberal Democrats oppose those important reforms. After all, the Conservatives also opposed the rise in national insurance contributions that has funded the NHS improvements, and they also voted against the improvements in maternity and paternity leave that we have introduced. When we debate these matters in future, it is important that we remember the Opposition's track record.

My hon. Friend the Member for Bury, North (Mr. Chaytor) made some important points about the funding of education for 16 to 19-year-olds. He said that we must treat properly the role of ethos in the admissions code and talked about how we plan 16-to-19 education. He asked me to confirm that we would continue with the important investments that we are making as part of the Building Schools for the Future programme, and he invited me to Bury to visit one of those schools.

I am pleased to say that I am very happy to go to Bury and see how our investment is being put to good use, but I cannot give my hon. Friend the assurance that he seeks because I am afraid that the Opposition remain committed to cutting £4.5 billion from the Building Schools for the Future programme. Fourteen secondary schools in the Bury area are set to be rebuilt, but two would be cancelled under Conservative plans. Moreover, we cannot avoid the embarrassment of visiting one of the schools that the Conservatives would cancel, because they have not told us yet which they are.

Mr. Chaytor: Might it not be extremely useful if I made a point of inviting my right hon. Friend to the school most likely to be cancelled were there a Conservative Government?

Ed Balls: If the Opposition told us where the axe would fall, we would know which school to visit, but it is revealing to look at the list of speakers in today's debate. There are 27 schools in the constituency of South Cambridgeshire, and four would be closed under Conservative plans. Two of the 17 schools in the constituency of Ilford, North are set to be closed, and the same is true of five of the 36 schools in the constituency of Rugby and Kenilworth.

Andrew Gwynne (Denton and Reddish) (Lab): My right hon. Friend will be pleased to hear that Stockport, an authority in the later stages of Building Schools for the Future, is preparing a bid for capital that includes £30 million for Reddish Vale technology college, which he has visited. Can he guarantee that it will not be scrapped on his watch?

Ed Balls: I am afraid that I can give no such guarantee. We are doing the right thing—bringing forward our capital programme to invest in our schools and support

our economy. In the case of Stockport, in Denton and Reddish, of 13 schools, two are set to be closed if the Conservatives have their way, and 360 schools are set to be closed—

Mr. Patrick McLoughlin (West Derbyshire) (Con) *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

Question agreed to.

Question put accordingly, That the amendment be made.

The House divided: Ayes 180, Noes 270.

Division No. 4] **[17.59 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paterson, Mr. Owen
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Mr. Roger
Willis, Mr. Phil
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. David Evennett and Jeremy Wright

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Janet
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon

Cryer, Mrs. Ann
Cummings, John
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Godsiff, Mr. Roger
Goodman, Helen
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Moon, Mrs. Madeleine
Moran, Margaret
Morley, rh Mr. Elliot
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Paisley, rh Rev. Ian
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Ward, Claire
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Noes:
Chris Mole and
Mr. Bob Blizzard

Question accordingly negatived.

6.15 pm

The debate stood adjourned (Standing Order No. 9(3)).

Ordered, That the debate be resumed on Monday 15 December.

Out-patient Facilities (Rushden)

Motion made, and Question proposed, That this House do now adjourn.—*(Claire Ward.)*

6.15 pm

Mr. Peter Bone (Wellingborough) (Con): I should like to thank the Speaker for granting me the opportunity to debate one of the most controversial matters to affect my constituency since I became a Member of Parliament. I would also like to thank the Minister of State, Department of Health, the hon. Member for Exeter (Mr. Bradshaw) for his attendance, and I look forward to his response. He is a highly regarded Minister and has a reputation for listening to fair arguments. However, I assumed that the Minister replying to my debate would be the hon. Member for Corby (Phil Hope), as he is the Minister for the East Midlands, a Health Minister and, more importantly, the local Member of Parliament who directly benefits from the closure of Rushden out-patient facilities. We could have had a real debate, with proper questioning, between two hon. Members who know in great detail the issues that will be discussed this evening.

I would like to give a little background detail about my constituency that I think will help. My constituency comprises the two major towns of Wellingborough and Rushden, and a large number of outlying villages and towns. It does not have a general hospital, a community hospital or a minor injuries unit. When my constituents need to go to hospital, they have to travel long distances to either Kettering or Northampton. The Wellingborough constituency is a second-class relation to the other constituencies in Northamptonshire when it comes to health care provision. Kettering and Northampton have general hospitals; Corby has a minor injuries unit and is soon to get a community hospital; and Daventry has a community hospital. Wellingborough has nothing, except very limited out-patient facilities at the Rushden Memorial clinic and at the Isebrook facility in Wellingborough.

Our out-patient facilities are now under threat. Kettering General Hospital NHS Foundation Trust wants to close the Rushden Memorial clinic and move all out-patient services out of the town of Rushden and into a small town in the Corby constituency. Naturally, I am outraged at the proposal to cut even more public services for the people of Rushden. This is a cut too far, and the move cannot be allowed to happen, especially given that the Rushden Memorial clinic was originally paid for by Rushden people for the benefit of Rushden people.

The Rushden Memorial clinic, which provided out-patient services for the people of Rushden, was opened in 1950. It was paid for by the people of Rushden and workers in the local shoe and boot industry. The memorial clinic was dedicated to the memory of the 138 men, women and children from Rushden who lost their lives during the second world war. It is immoral to move those services—the only ones we have—out of Rushden. The proposal is an insult to the town and the people who live there. It is not just me who is outraged. As I said at the beginning of my speech, this is the single biggest issue to affect the constituency since I became a Member of Parliament in 2005. I have been inundated with letters, e-mails and telephone calls from worried and upset constituents. As yet, I have not received any representations in support of the proposal.

I would like to read just a few of the many e-mails and letters that I have received; they show the strength of opposition to scrapping out-patient facilities in Rushden.

A lady writes:

"My opinion is that we desperately need these facilities in Rushden as Rushden is much bigger than Irthlingborough. We do lack quite a few facilities in Rushden, and considering our nearest hospital is 9 to 10 miles away, people will find Irthlingborough difficult to get to if they do not drive. I strongly support you that this should go ahead in Rushden."

Another constituent writes:

"I would like to put forward my extreme disgust at the way this was released to the public. This has not been discussed in any way and completely without patient consultation. I attend the Outpatient Department at least 8 times a year...I am in almost constant pain in my joints and I am now experiencing giddy spells when I move my head. This makes it virtually impossible to drive myself to the clinic and my husband would have to take time off from work to take me to my appointments and, as he works over an hour's drive from Rushden, this means that if I have an early afternoon appointment, he has to take the whole afternoon off. If the clinic were to be left in Rushden I can get there either by walking or a friend can take me if school hours permit. I can drive short distances but four miles away is pushing it a little. I gave up work recently for this reason."

A couple write:

"We now read they are to move the outpatient facilities to Irthlingborough. What utter nonsense, the population in Rushden is increasing at an alarming rate so why are they considering this move? Is it to get even more money for the land? We were told that the land was being sold to get the money to build a new outpatients so what the hell has happened to this plan? The whole thing is ridiculous.

We need an A&E. Having to go to Kettering is mad. Most of Rushden feels this is needed and no one seems to care about the needs for Rushden. We are fed up with the attitude towards this town".

A lady writes to me:

"The people who are making these changes...should let the people of Rushden have their say. After all, it is our town, our lovely town, that is why we chose to live here."

As these comments, and hundreds like them that I have received, clearly show, it is not just a question of retaining the existing health provision in Wellingborough and Rushden—we need more health provision. We need our fair share of health provision, which has been denied to us for so long. The Government now favour an approach for community hospitals in which a hub-and-spoke system feeds into the main hospital—in this case, either Kettering or Northampton. It would therefore be common sense to put the first community hospital in an area with no hospital provision, but unfortunately common sense does not prevail in this case. There is no valid reason, despite the many excuses one hears from Kettering General Hospital NHS Foundation Trust, why outpatient facilities should be closed in Rushden and moved to Irthlingborough.

Rushden is the largest town in east Northamptonshire, and it is growing rapidly. There are good transport links from Rushden to other parts of east Northamptonshire. Irthlingborough is a small town that is virtually unreachable by public transport. Let us look at the comparative size of both areas. If one looks at the historic population census for 2001, bearing in mind the fact that my constituency has grown considerably since then, one sees that Rushden and its hinterland has a population of over 38,000. Irthlingborough has a population of just 8,000. The main acute hospital serving Rushden,

[Mr. Peter Bone]

Corby and the rest of east Northamptonshire is Kettering general hospital. The distance from Corby to that hospital is 9.3 miles; the distance from Rushden to the hospital is 14 miles. Corby already has a minor injuries unit, and is first in line in Northamptonshire to get a new community hospital, as recently announced in the local media.

We have not been given one single decent reason by the foundation trust why it wants to close Rushden's facilities and move them into the Corby area.

I would like to point out that it is not just my constituents who oppose the plan. I have received many representations from Corby constituents pleading that the out-patient facilities be kept in Rushden because it is much easier for them to get there than to Irthlingborough. An excerpt from just one e-mail that I have received makes the point:

"I live in Raunds and use public transport to access the outpatients department in Rushden. There is a fairly decent bus service between Raunds and Rushden which is half-hourly. If the outpatients moved to Irthlingborough, I would have to take two buses to get there as there is no service between Raunds and Irthlingborough. The alternative would be to travel all the way to Kettering which is a very long bus journey away and the buses only run two-hourly. Therefore the move would not benefit the patients living in my part of East Northants who rely on buses."

However, the proposed site in Irthlingborough is not only inconvenient for people who use public transport. If my constituents from Rushden and Higham Ferrers had to travel by car to the proposed Irthlingborough site, they would have to go across the infamous Chowns Mill roundabout on the A45. That roundabout is widely recognised by the authorities as a danger to pedestrians and motorists. Only recently, unfortunately, a pedestrian was killed while trying to cross it. At rush hour, Chowns Mill roundabout is so busy that there are extensive queues leading up to all approaches. The district council, the county council, the highways authority and the Government have all stated that the roundabout needs a grade-separated junction and a safe passage for pedestrians to cross. But once again, the Wellingborough and Rushden constituency is way down the line when it comes to public funding and the grade-separation scheme is not even in the regional assembly's forward programme for capital schemes.

I now want to talk about the Rushden project: "The Rushden what?" you may ask. You would be forgiven if you had not heard of it because health authorities in Northamptonshire have been working hard to brush it under the carpet and pretend it never existed. The Rushden project was formed many years ago. Many local people have been involved in the Rushden project, myself included, before and after I became an MP. It was always the purpose of the project to bring the three NHS facilities in Rushden together on one site. The project was to have an enhanced and comprehensive health facility to serve the people of Rushden and its surrounds, and it had always been planned that the site would be the Rushden hospital site. The logic behind that was that the site already hosts one of the NHS facilities and there is extensive land on which to build, with the additional advantage that the land was owned by the NHS.

The Rushden hospital site is huge. It has good transport links and there is plenty of land to build an all-embracing health facility. But the NHS is proposing to sell off the land on the Rushden hospital site. What for? It is for more housing, so we will get more people and less health service. Where is the sense in that? The Government and the health service have to sit up and realise that that cut to health facilities in the Wellingborough and Rushden constituency has to stop. My constituents live in the worst part of the worst-funded primary care trust in the country. That is a fact and even the Secretary of State for Health has admitted it. Recently, he said:

"Every other PCT has moved to within about 3.5 per cent. of their target through this pace of change process...I think Northampton were the only ones that were more than 3.5 per cent.".

There we have it from the Health Secretary himself. In other words, my area, in the last three years, was underfunded by £101,746,000. The Government admit that Northamptonshire is the worst funded PCT in the country and yet we are not being given the funding and provision that the Government themselves say that we should get.

I want to consider Kettering General Hospital NHS Foundation Trust's proposals to close Rushden out-patient facilities and move them out of the town. The foundation trust will claim that it engaged in a public consultation exercise to gauge local opinion. What utter rot. The consultation was completely flawed. It was one of those consultations whereby one asks questions that are not relevant and then claims that a consensus has been reached.

First, the consultation was sent out to a limited number of people. Secondly, it did not mention the proposal to move out-patient services out of Rushden. There was no reference to the proposal to move out-patient facilities to Irthlingborough. If the consultation had been genuine, it would have said, in a straightforward manner, that the proposal was to put the out-patient facilities in Irthlingborough. Had it said that, the consultation would have had a completely different result. Indeed, the consultation document intimated that out-patient facilities would stay in the town. The public, the local council and I were not given the facts. The information came to me only through a leak, and I put it into the public domain.

All I have been able to establish is that there is an issue relating to finance. The foundation trust claims that it has a developer who is willing to build the facilities and lease them back to it at a reasonable rate. Who are the developers? When were they appointed? When did the plan go out to competitive tender? Why has the decision been made in such an unorthodox, cloak-and-dagger way? The foundation trust claims that it examined possible sites in Rushden and found them unsuitable. How can the Rushden hospital site, which the NHS owns, with plenty of land on which to build, great transport links, and in the biggest town in east Northamptonshire, not be suitable? Local councils are providing the foundation trust with a list of alternative sites in Rushden. I do not believe that the sites in Rushden have been properly investigated.

Let me read what one of my constituents has written to me about Kettering general hospital's supposed public consultation:

"We believe the recent public exercise regarding the extension of the Wymington Road hospital site to provide mental health facilities for the area, was just an expensive ploy to divert the public's attention away from the fact that the 'Hayway' clinics, and the Rectory Road practice are in the pipeline to be moved to

Irthlingborough. The proposed site there we believe will be difficult to be reached by any means except by private car or taxi; not a viable means for elderly people."

I agree. I have here a copy of Northamptonshire Healthcare NHS Trust's consultation document. It is very nice and glossy, with lots of pictures and, in the middle, there is a map. I do not know if you can see it, Mr. Deputy Speaker, but in the middle of the map, it states in bold letters: "Future Health Facilities". My constituents were outrageously misled.

I run the "Listening to Wellingborough and Rushden" campaign. I believe that, as a Member of Parliament, it is important to listen to the views and concerns of the people whom one represents. There has been the most extraordinary explosion of outrage about the hospital's proposal. As part of my campaign, I am writing to every person in Rushden to make them aware of the trust's proposals and to ask for their opinions now that they have the full facts. I will publish the results of that survey at the end of January. I have also organised a public meeting on 23 January so that local residents can come along and voice their concerns.

I am grateful to the Minister for listening to my speech. I appreciate that he does not have direct power, given the new status of the foundation trust hospital. However, I would appreciate any comments he might have on the situation and any answers to the specific questions I have raised. If he cannot answer those questions now, I would be most grateful if he wrote to me.

6.34 pm

The Minister of State, Department of Health (Mr. Ben Bradshaw): I congratulate the hon. Member for Wellingborough (Mr. Bone) on securing this debate. As is usual when there is a potential constituency interest for the Minister who is directly responsible, I am replying instead of my hon. Friend the Member for Corby (Phil Hope), as I am sure the hon. Gentleman understands.

I begin by paying tribute to the NHS staff across the hon. Gentleman's constituency and in the whole of Northamptonshire for their hard work and dedication, which is delivering a better-quality health service than ever, benefiting not only his constituents, but constituents in England as a whole. Before addressing his concerns about Rushden Memorial clinic, I would like briefly to explain the context. During these first 60 years of the NHS, society, technology and medicine have changed beyond all recognition. Today, patients with more and more conditions can be and are treated and cared for closer to their homes, or even in them.

As part of this year's major long-term review of the NHS, each strategic health authority in England published a vision for further improving health and health care in its region, based on the work of a number of consultation groups in each area. A key finding of those local reviews was that for planned care, more could and should be provided closer to people's homes. The changes in health care in Northamptonshire are taking place in that context. The other thing that needs to be made clear is that decisions on how local health services are organised are no longer made by Ministers in Whitehall, but by autonomous NHS professionals on the ground.

I am advised that when Kettering general hospital applied to become a foundation trust in 2006, it consulted the population of north Northamptonshire about its application and the services that it proposed to offer. Those proposals included the trust's plan to deliver more services from local out-patient units. I am advised that 92 per cent. of respondents said that they supported the trust's plans. When it developed its plans to establish a new out-patient facility in Irthlingborough, the trust contacted the health overview and scrutiny committee of Northamptonshire county council to establish whether a formal consultation period would be required.

As I am sure the hon. Gentleman will know, overview and scrutiny committees are made up of elected councillors from the local authority and can insist that proposals be consulted on, and if they are still unhappy about them, refer them to the independent national reconfiguration panel. I am further advised that the chair and deputy chair of the Northamptonshire overview and scrutiny committee, which has a Conservative majority, advised that the proposals were "not significant enough" to warrant a formal consultation. However, it is always open to the overview and scrutiny committee to revisit the issue if it wishes.

During the public engagement period, the trust set out a number of criteria against which it would select its preferred site. The first was accessibility. The new facility had to be accessible to the people living across East Northamptonshire. The second criterion was affordability. The development had to be affordable within the trust's finances. The third criterion was future flexibility. The population in the hon. Gentleman's constituency and in wider Northamptonshire will continue to grow significantly over the next 20 years. Any building will need to be flexible enough to accommodate that growth. The fourth and final criterion was deliverability. The current premises, to which he referred, are Victorian and are not considered suitable for the range of out-patient clinics that the trust wants to provide. Any new facility must therefore be available quickly. In that context, Kettering general hospital looked at the clinics that it currently provides on the main Kettering site and found that many could be safely moved from the main hospital into a brand new local facility in East Northamptonshire.

The population of Northamptonshire is currently around 680,000 people, but that is predicted to rise to 715,000 over the next five years. The current out-patient unit at Rushden Memorial clinic can accommodate only 8,000 clinic appointments each year. The trust estimates that any new facility would need to be able to accommodate approximately 40,000 out-patient attendances, together with a further 70,000 diagnostic tests, which represents an almost tenfold increase in the number of procedures undertaken at the clinic. The majority of those out-patients will come from East Northamptonshire. The proposed on-site provision of diagnostic services, such as X-ray, ultrasound and blood testing, would mean that local people in the hon. Gentleman's constituency would be able to access a one-stop service. Otherwise, they would need to attend an out-patient clinic and then have to travel to Kettering general hospital for follow-up tests.

The trust considered four options for its proposals. The first was to relocate the out-patient facility to the planned redevelopment in Rushden town centre. I am advised that that would be unlikely to take place until 2011 at the earliest. The second option was to relocate the out-patient facility to the Rushden hospital site. As I have already said, Kettering general hospital's plans encompass approximately 40,000 out-patient attendances

[Mr. Ben Bradshaw]

and a further 30,000 diagnostic tests annually. The trust believes that that would require a larger space than the 1.5 acres allocated by the Northamptonshire health care trust for other health provision. It is therefore unlikely that that option would deliver a new facility in the required time frame.

Furthermore, the trust intends its redevelopment to provide a calm therapeutic environment for people with mental health problems and learning disabilities. Kettering general hospital considers that the volume of traffic associated with the level of its planned out-patient activity would not only be difficult for the Rushden hospital site to accommodate, but would compromise the delivery of the trust's planned mental health services.

Mr. Bone: I am grateful to the Minister for this helpful response. I hope that he will not misunderstand the situation, however. What he has just said relates to the little piece of yellow that I attempted to show on the map. The Rushden hospital site is enormous—there is plenty of room to build these facilities there—and it has a direct link to the Rushden by-pass, so I am not sure why there would be transport problems involved.

Mr. Bradshaw: I am grateful to the hon. Gentleman for his advice, and I urge him to take up those detailed concerns with the primary care trust and the acute trust. I know that he has already had discussions with them, and that they would be happy to continue those discussions.

The third option considered was to extend the existing provision at Rushden Memorial clinic. I am advised, however, that the present site could not accommodate the increase in the numbers of patients that the trust plans for the area. Even if extension of the building were possible, it would be very difficult to continue delivering the present range of clinics on site during the building work.

The fourth proposal involves the new site at Irthlingborough, which is 2.7 miles from the present clinic. The proposed new facility there would serve the whole population of East Northamptonshire, not just Rushden. Of course, any development must be easily accessible to everybody who needs to access its services, including those travelling from outside the town. Kettering general hospital and Northamptonshire PCT advise me that Irthlingborough is their preferred option because it would provide a brand new building built to the trust's requirements. The alternatives would have meant the trust converting an existing building, with poorer results. As the hon. Gentleman said, a third-party developer, who will assume the planning and development risks, is providing the building. The trust will be able to rent the building from the developer, meaning that the trust can afford the scheme. Otherwise, the trust believes that it would need to raise about £4 million to purchase the land and build its own facility. It also says that the new site could be available for the public to use from January or February 2010.

The trust believes that the new facility, being directly off the A6 and supported by regular public transport links, will be accessible to people from across East Northamptonshire. The site also has the potential to be expanded in the future, which would enable the trust to develop additional services for the area, such as a minor injuries unit and a fracture clinic. The trust estimates that these proposals mean the hon. Gentleman's constituents would save almost 130,000 travel miles a year, through being able to be treated closer to home, rather than having to travel to Kettering or further afield.

The hon. Gentleman made some other, more general points about health care in his constituency. He has often raised the issue of health care funding and facilities in Northamptonshire. I am sure that he will have noticed that the 2009-10 and 2010-11 revenue allocations to primary care trusts were announced by the Government this Monday. I am also sure that he will welcome the fact that over the next two years, funding for Northamptonshire Teaching PCT will increase by 11.9 per cent. to £983.4 million. This is one of the highest funding increases in the country; only 15 PCTs in England will receive a greater percentage increase. I am afraid that I have to tell him, however, that the primary care trust no longer has the accolade of being the furthest from its target. By 2011, Northamptonshire will be only 1.4 per cent. away from its target, and many other PCTs will be a great deal further away from theirs, so that is good news for his local area on the funding front.

The increase in funding has been matched with a growth in facilities in the hon. Gentleman's constituency. I am sure that he will have been delighted by the opening of the new GP practice in Higham Ferrers last year. He will also know that Kettering general hospital provides for out-patients at Isebrook hospital in Wellingborough. I am sure that he is also aware of the proposals for a new primary care development there—it is due to open in 2010—and the plans for a brand new community hospital.

Mr. Bone: That last point was interesting news. Can the Minister tell me when the new community hospital is going to open in Wellingborough?

Mr. Bradshaw: I cannot give the hon. Gentleman an exact date, but the primary care trust and Kettering general hospital are quite clear that it is something that they are interested in looking at. He will have to ask them about the actual time frame.

Northamptonshire PCT also has ambitious plans for four new GP-led health centres in the county, including one in Wellingborough, which are planned to open in the next two to three years—

6.45 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Monday 15 December 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Unauthorised Disclosures

1. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When officials from her Department will next meet Cabinet Office officials to discuss measures to reduce the number of unauthorised disclosures of information from her Department. [242963]

3. **Mr. Andrew Turner** (Isle of Wight) (Con): On how many occasions there have been breaches of security involving the unauthorised disclosure of information from her Department since 2000. [242966]

6. **Mr. Desmond Swayne** (New Forest, West) (Con): What steps she is taking to prevent the unauthorised disclosure of restricted and confidential information from her Department. [242970]

The Secretary of State for the Home Department (Jacqui Smith): The Home Office and the Cabinet Office take all breaches of security very seriously. Unauthorised disclosures are both a breach of security and a breach of the civil service code. Home Office and Cabinet Office officials hold regular meetings to discuss these matters. We follow all Government rules and procedures to prevent unauthorised disclosures of restricted and confidential information from Departments and we pursue unauthorised disclosures. I am advised that there have been 43 investigations into alleged unauthorised disclosures of information from the Home Office since 2000.

Mr. Bellingham: I am grateful to the Home Secretary for that reply. Is she aware that there is a growing consensus that the police handling of the arrest of my hon. Friend the Member for Ashford (Damian Green) was disproportionate? Furthermore, it is now apparent that the search of his offices here did not comply with Police and Criminal Evidence Act guidelines. Is she aware that concerns about those two matters have been expressed by the acting commissioner, Sir Paul Stephenson, by her permanent secretary in his evidence to the Select Committee on Home Affairs and by the Leader of the House? Does the Home Secretary share those concerns?

Jacqui Smith: I am not clear that the assertion that the hon. Gentleman makes—that those concerns have been raised by the people whom he identifies—is correct, because in each case, those people have been scrupulous about not commenting on ongoing police investigations, as I will be.

Mr. Turner: Can the Home Secretary explain when a leak of information becomes a criminal investigation? When are the police involved?

Jacqui Smith: In this case, the police were involved because of the systematic nature of the leaking, the concern that numerous leak investigations had not succeeded in finding the perpetrator and, as was spelt out in the Cabinet Office letter to the Metropolitan police, particular concerns about the sensitivity of information that a potential leaker may have had access to.

Mr. Swayne: The 1988 White Paper said:

"The objective of Official Secrets legislation is not to enforce Crown Service discipline—that is not a matter for the criminal law".

When Lord Hurd presented the Bill to the House, he said:

"We ask the House today to agree in principle that the criminal law should be pruned away from the great bulk of official information."—[*Official Report*, 21 December 1988; Vol. 144, c. 460.]

Why has that changed under Labour?

Jacqui Smith: As I have just outlined to the hon. Member for Isle of Wight (Mr. Turner), the decision to refer the investigation to the police was made by my permanent secretary and the Cabinet Secretary. The reasons are spelt out in the letter from the Cabinet Office to the police, which is now available in the Libraries of both Houses. Whether criminal charges are laid is of course a matter for the police and the Crown Prosecution Service.

David Taylor (North-West Leicestershire) (Lab/Co-op): Does the Home Secretary not find this situation rather ironic? Here we are, on almost exactly the 23rd anniversary of the climax of the Westland affair, when the Tory Secretary of State for Trade and Industry was leaking furiously against the Secretary of State for Defence, Lord Heseltine, as he now is. Is she as unsurprised as I am that a party that had more leaks than a Rhondda vegetable show when it was in government should be actively soliciting leaks when it is in opposition, in the disgraceful way that we have seen over recent months?

Jacqui Smith: Well, as I have said before, one of the things that hon. Members in all parts of the House—and certainly any hon. Member whose ambition it is to form part of a Government at any time in the future—should be wary about is undermining the impartiality of the British civil service as laid down in the civil service code, for which Governments of all persuasions have had reason to be grateful and by which the people of this country set quite a lot of store.

Mr. Gordon Prentice (Pendle) (Lab): The former shadow Home Secretary, the right hon. Member for Haltemprice and Howden (David Davis), has said on the record that 50 per cent. of the material that he receives from moles

cannot be put into the public domain because it is too sensitive in terms of national security. Does the Home Secretary agree that there is an obligation on the former shadow Home Secretary to return that material to the relevant Departments?

Jacqui Smith: My hon. Friend makes an important point. There has been a suggestion throughout the whole of this case that, somehow or other, pieces of information relating to national security never get leaked, but as my hon. Friend pointed out, the right hon. Member for Haltemprice and Howden, the former shadow Home Secretary, said:

"In about half the cases we decide not"

to release information

"because we think there are reasons perhaps of national security or military or terrorism reasons not to put things in the public domain."

In other words, the right hon. Gentleman has in his possession information that has come to him that has national security, the military or terrorism associated with it. I wonder whether he passed it on to his successor, the current shadow Home Secretary, and whether he, in turn, believes that the right thing to do might be to return it to the authorities from which it came.

Andrew Mackinlay (Thurrock) (Lab): I want one thing cleared up. The Home Secretary has not yet explained to the House how—on 4 December, I think—there was a difference between what she reported to the House as the reasons for the arrest of the hon. Member for Ashford and what he had received in the documentation from the Metropolitan police. That lack of precision does not increase one's confidence in the veracity of the Metropolitan police. Will she explain to the House this afternoon why the Metropolitan police gave her duff information, and tell us what she has done about it?

Jacqui Smith: I took it up, as I said I would, immediately with the Metropolitan police. They confirmed that the terms of the arrest were accurate, and I communicated that to the hon. Member for Ashford.

David T.C. Davies (Monmouth) (Con): The Home Secretary has made it very clear that she was not informed of the arrests in relation to those leaks prior to the arrests taking place. Will she tell us whether she gave any instructions, written or verbal, to anyone in the Home Office or the Metropolitan police that she should not be informed if arrests were going to take place in respect of that matter?

Jacqui Smith: No, I did not—as I made clear when I made my statement the other day.

Mr. Julian Brazier (Canterbury) (Con): Has the Home Secretary read the report by the Standards and Privileges Committee of two Sessions ago on the working of the sub judice rule? Does she accept that, in cases such as this where there is an ongoing investigation, the Committee makes it clear that Parliament has always treated that rule with discretion? It has always been a matter for the Speaker in the Chamber, and for individual Committee Chairmen in Committees, to decide how to operate it.

Jacqui Smith: I have not read the specific report to which the hon. Gentleman refers, but I am sure that he will share my view that, whether inside or outside the House, the operational independence of the police force is important. It is also important, as he says, that we all exercise considerable discretion over ensuring that we do not prejudice police investigations.

Rob Marris (Wolverhampton, South-West) (Lab): I think the way in which the hon. Member for Ashford was treated by the police was disgraceful and if it turns out that my right hon. Friend had in fact been informed of the police action before it took place—something that she has denied—she would have to resign. Correspondingly, the hon. and learned Member for Beaconsfield (Mr. Grieve) has said to my right hon. Friend, in terms, that she lied when saying that she had not been informed in advance. Does she agree that, if it is proved that she had not been told in advance, the hon. and learned Gentleman should resign?

Jacqui Smith: I have asked the hon. and learned Member for Beaconsfield (Mr. Grieve) and others to withdraw the allegations and assertions that they have made against me. It is up to them whether they choose to do the right thing.

Chris Huhne (Eastleigh) (LD): There is a good deal of concern about the use of the offence of misconduct in public office in the case of Christopher Galley and the hon. Member for Ashford, particularly given the policy decision to ensure that, from 1989, the only cases in which criminal investigations are appropriate are those that involve national security. How many police investigations of Government complaints referring to misconduct in public office have there been in the past year—or two years or whatever is appropriate—and how many prosecutions and convictions have there been? Is this offence being used to intimidate civil servants, rather than to bring them to justice?

Jacqui Smith: There have been several investigations, and several charges laid on the basis of misconduct in public life. I will write to the hon. Gentleman with the specific numbers. The offence has been looked at relatively recently in a case in front of the High Court.

Mr. Dominic Grieve (Beaconsfield) (Con): Is not one of the reasons why there are so many unauthorised disclosures from the Home Office the fact that the Department sets an example by engaging in authorised leaking when it suits the Home Secretary's political purpose? In that context, did she authorise the leak last week of the partial and selective knife crime statistics, in breach of the Government's own rules and against the protests of the UK statistics authority? Or was that all down to the Cabinet Office and Downing street?

Jacqui Smith: There are plenty of arguments about the definition of a leak, but I hardly think that issuing a press release counts as a leak.

I am sorry that we were, I think, too quick off the mark with the publication of one number in relation to the progress that had been made in tackling knife crime, but I commend the police and their crime-fighting partners on the impact that they are already making through the tackling knives action programme, as spelt out by the other statistics produced last week.

Mr. Grieve: I note that the Home Secretary has not answered the question. Nor has she apologised to the House for this gross and deliberate breach of its own rules. Sir Michael Scholar said that the decision to release the spun propaganda was "corrosive of public trust". If the Home Secretary was involved, why should she be trusted in future on the basis of what she says? Can she please explain? If she was not involved, does that not show yet again that she is not in charge of her Department and that, in fact, she is incapable of discharging her responsibilities properly?

Jacqui Smith: Sir Michael Scholar did not use the words "spun propaganda". He pointed out that one figure used last week had been issued prematurely. If the hon. and learned Gentleman had been listening, he would have heard me say the words "I am sorry": sorry that we had pre-empted the publication of that specific number. However, I hope that he will join me in recognising the considerable progress that has been made—I think that this is the most important issue—in helping to ensure that 17 per cent. fewer young people are subject to serious knife offences, that of the 10,000 extra searches being conducted each month fewer are now finding young people carrying knives, that 179 more offenders are now in prison for weapons offences, and that on average those offenders are receiving almost 40 per cent. longer sentences. That constitutes progress in keeping young people safe on our streets, which I think is the top priority for most of the British public.

Zimbabwean Asylum Seekers

2. **Greg Mulholland** (Leeds, North-West) (LD): What the Government's policy is on holding Zimbabwean asylum seekers in immigration detention. [242964]

The Minister for Borders and Immigration (Mr. Phil Woolas): The UK Border Agency only detains Zimbabwean nationals who have committed crimes within the United Kingdom, who are subject to deportation action, and who have been assessed as unsuitable for release owing to their being a threat to the public and/or likely to abscond. Anyone detained under immigration powers has his or her detention regularly reviewed, and can apply for release on bail to the independent Asylum and Immigration Tribunal.

Greg Mulholland: As I am sure all Members know, according to reports from Zimbabwe, the situation is worse than ever, with oppression, political violence, beatings as an everyday occurrence, corruption and, now, the added plight of those affected by the cholera epidemic. In the light of the tribunal's decision two weeks ago—or, rather, the Government's response that they would not challenge it—will the Minister tell me what will happen to the other 7,500 cases? Have those people some hope now, and will he examine their situation again?

Mr. Woolas: I am grateful to the hon. Gentleman for his question. I think that the whole House will share his sentiments about the situation in Zimbabwe. He referred to the country court judgment. It states that each case can be considered individually, and indeed that must be done. As I am sure the hon. Gentleman will agree, not all those presenting themselves as Zimbabwean turn out to be Zimbabwean on examination. That is why we must examine each case properly, within the rules.

Mr. Neil Gerrard (Walthamstow) (Lab): In the light of the recent judgment on an Eritrean asylum seeker, will my hon. Friend consider the position of Zimbabweans and others who cannot be returned at this moment but who are not allowed to work?

Mr. Woolas: I hear what my hon. Friend says. When someone cannot be returned through no fault of his or her own, having exhausted all appeal rights, it is our policy for that person to receive section 4 support from the United Kingdom Government. The overall number of people with whom we are having to deal has fallen, but that support is there.

David Tredinnick (Bosworth) (Con): What additional steps has the Minister taken in case the situation in Zimbabwe deteriorates dramatically and he is faced with a massive number of people trying to get into this country? What are the Government doing about that?

Mr. Woolas: The hon. Gentleman has made an important point. There are also British nationals in Zimbabwe, and there is the ever-present danger of more people trying to get into our country illegally. That is why, as I am sure the hon. Gentleman appreciates, we review all the procedures not just in that part of the world, but in other countries and other circumstances.

Fiona Mactaggart (Slough) (Lab): The Minister said in response to the question from my hon. Friend the Member for Walthamstow (Mr. Gerrard) that Zimbabweans who are here and who it is intended will return but cannot currently be returned are eligible for section 4 support. However, the case to which the Minister referred suggested that, in respect of Eritrea, where people cannot be returned and have no source of support, they should be allowed to earn their own support. When will the Minister allow trapped Zimbabweans to work to earn the money to get themselves and their families a decent Christmas?

Mr. Woolas: I am grateful to my hon. Friend for her points on this important matter. The case to which she refers concerned a gentleman from Eritrea, and the judgment in that case was very specific, looking at the amount of time that had been spent in this country. Having said that, it is not the Government's policy to provide for blanket exceptions for the good reason that we must look at each case on its merits.

Simon Hughes (North Southwark and Bermondsey) (LD): The Minister knows that there is a widespread view held by Members in all parts of the House—it is not a party view—that it is nonsense to require people who cannot go back, and who are qualified and could be further qualified, not to work while they are here when that will not lead to any permanent right to be here, but will give them a chance to improve their skills. Will the Minister be straightforward with the House and confirm that the Government are reviewing this matter, and will he tell us when the review will be concluded and whether he will make the intelligent, sympathetic and widely welcome decision to change the policy?

Mr. Woolas: Again, I am grateful to the hon. Gentleman for making his points on this important topic. I am not sure whether he was talking specifically about Zimbabwe or in general, but on the general point we think it is

right to look at each case on its merits. Those who argue for a general blanket amnesty—I accept that the hon. Gentleman is not asking for that—have to accept that it can be self-defeating as we have seen in other European Union countries, and that it can, in fact, bring about more misery and hardship and, of course, more profit for the people traffickers.

Damian Green (Ashford) (Con): I sympathise with the Minister on the difficulties facing him, but he must concentrate on the issue of the Zimbabweans who are already in this country. The facts are that there are already more than 10,000 people here, that they cannot be returned forcibly to Zimbabwe and that the Government are preventing them from working legally while they are in this limbo. Does the Minister really think this is either economically sensible or morally acceptable, or is he prepared to use destitution as an arm of his asylum policy?

Mr. Woolas: Let me reassure the House that the Government do not use, and have no intention whatever of using, destitution as policy. Indeed, the Government have on occasion been criticised by Members on both sides of the House for providing support, particularly for those people who, as I said a moment ago, through no fault of their own cannot return to their own country but where it has been deemed that they should do so. However, I repeat the point I made to the hon. Member for North Southwark and Bermondsey (Simon Hughes) that one has to strike a balance between providing proper support within the law and not having a policy that would make the situation worse. That point should be considered by the hon. Member for Ashford (Damian Green) and his colleagues.

Police Bureaucracy

4. **Mr. Adrian Bailey** (West Bromwich, West) (Lab/Co-op): What steps she is taking to reduce unnecessary police bureaucracy; and if she will make a statement. [242968]

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Vernon Coaker): It is vital that the police are able to deliver for the public in the most efficient way. That is why we are scrapping the time-consuming stop and account form, reducing by up to 80 per cent. the amount of time taken to record crimes, and investing £75 million in new technology to help officers work smarter, thereby freeing up officers to focus on addressing people's concerns.

Mr. Bailey: I thank the Minister for his reply. More specifically, can he tell me what assessment he has made of the impact of the use of hand-held high technology devices issued to front-line police officers on reducing police bureaucracy?

Mr. Coaker: We think that the fact that we have made increasing numbers of these hand-held devices available to front-line officers has made a significant difference. I was recently in Staffordshire talking to police officers there, and they were demonstrating the use of these devices and talking about the difference that they were making. I should point out that 10,000 extra hand-held devices have been made available to front-line officers, and that figure will rise to 30,000 by 2010.

Mr. Douglas Carswell (Harwich) (Con): What specific reforms, if any, is the Minister contemplating to make local police more locally accountable, and how would such reforms allow local people, rather than Home Office officials, to set local police priorities?

Mr. Coaker: If the hon. Gentleman looks at our proposals regarding the crime and disorder reduction partnerships, he will see that my right hon. Friend the Home Secretary only recently announced the councillor call for action, which will be implemented from April this year to allow local councillors to have more say in what happens with local police forces. Moreover, the policing pledge talks about the public having more chance to influence the police through face-to-face meetings; neighbourhood policing teams are out there meeting people; police community support officers get out there and deliver leaflets; and e-cops, which we see in Leicestershire, allow people to e-mail their concerns. All those things allow people to influence local policing in their area, and are very much welcomed by everybody I meet.

Mr. David Kidney (Stafford) (Lab): I thank my hon. Friend for his visit to Stafford a fortnight ago, when he met the chief constable, Chris Sims, and representatives of the senior leadership and the police authority. Crucially, he also met police officers and PCSOs. Does he agree, as a result of that day in Stafford, that Staffordshire police really are now leading the country on cutting out unnecessary paperwork, streamlining criminal justice systems and keeping police officers out on the front line for longer? Is that not why Jan Berry held the first meeting of her group that day in Stafford, to provide recommendations to police throughout the country?

Mr. Coaker: Cutting bureaucracy is an essential part of the work that we are doing, and talking to front-line police officers—as both my hon. Friend and I did that day in Stafford—shows the impact that that is having. It is not me who is saying that it is having an impact, but police officers themselves. Staffordshire is one of the four crime-recording pilots, and Staffordshire police have looked at a whole range of measures—not only the use of hand-held computers, but forms relating to a variety of crimes, including stop and account. Not only Staffordshire but other police forces that have played a part in these pilots are demonstrating to forces across the country the serious inroads that can be made into unnecessary bureaucracy.

Mark Pritchard (The Wrekin) (Con): I agree with the Minister that communication with our constituents needs to improve, but I doubt whether it will come as a surprise to him to learn that most of my constituents do not see crime as virtual or in e-mails, but in reality. What they want to see is more police officers on the street and less bureaucracy, so it is very concerning that the Minister is talking about e-cops; what people want to see is real cops.

Mr. Coaker: And they do see real cops. I bet that the neighbourhood policing teams in the hon. Gentleman's constituency demonstrate such visible policing and the presence on the streets that everybody wants to see. By reducing bureaucracy and through the changes that we are making to stop and account forms, through the work that Jan Berry is doing and through crime recording

pilots—which have shown that it is possible to reduce bureaucracy in respect of a whole range of crimes—not only will communication between constituents and the police improve, but we will see the increased numbers of police that everybody wants to see on the street.

Mr. David Ruffley (Bury St. Edmunds) (Con): Four years ago, the Home Office told us that police officers spent only 19 per cent. of their time on patrol. Can the Minister tell us what the latest figure is?

Mr. Coaker: Of course, the hon. Gentleman is using one particular measure—an on-patrol measure, which, as he knows, takes no account of any interaction between police officers and members of the public; all that it counts is when somebody is actually out there on the street. It does not account for a police officer who stops and speaks to someone in a car or who speaks to someone whose shop has been robbed. Any of the normal things that we would expect a police officer to do are not counted, which is why we introduced a new measure called the front-line policing measure.

Alcohol-related Crime

5. **Nia Griffith** (Llanelli) (Lab): What steps she is taking to tackle alcohol-related crime and disorder. [242969]

The Secretary of State for the Home Department (Jacqui Smith): The majority of people who drink enjoy alcohol sensibly, but we are determined to take action to reduce the health and social harms caused by those who do not. We have recently announced actions to combat the problem, including a new mandatory code of practice to target the most irresponsible retail practices, a £3 million cash injection for crime and disorder reduction partnerships for enforcement activities in 198 areas and a further £1.5 million for our priority areas to tackle underage sales, confiscate alcohol from under-18s and run campaigns to tell people what action is being taken locally to reduce alcohol-related crime and disorder.

Nia Griffith: I am sure we all want to find more ways of reducing alcohol-related crime in our town centres, such as the "Behave or Be Banned" campaign that is running in my area. In the light of my talks with the mayor of Llanelli about creating an alcohol-free zone in the centre of the town, may I ask the Home Secretary what success such zones have had elsewhere and what other measures she would recommend to reduce alcohol-related disorder?

Jacqui Smith: First, I commend my hon. Friend for working with her local colleagues to make use of the tools that the Government have put in place—I believe she was referring to a designated public place order in this case. We take very seriously the responsibility to make clear to local partners, such as the ones to whom she refers, the tools that are available. That is why we have been running a series of regional workshops—two have taken place and one more is due to take place—which have been extremely well received. Alongside the sort of local activity that she is talking about, the use of Government-provided tools and the new initiatives that we have recently announced will help to ensure that those people who want to drink sensibly can do so, but those who cause harm to themselves or others will be prevented from doing so.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): Does the Home Secretary agree that 24-hour drinking has been a mistake and that she should reverse the policy?

Jacqui Smith: No, and nor do independent assessments, including the report on the impact of the Licensing Act 2003, which was published in 2008. It showed that the overall volume of incidents of crime and disorder remained unchanged, and that there were signs that crimes involving serious violence may have reduced and that local residents were less likely to say that drunk and rowdy behaviour was a problem. I do believe it is important that the elements of the 2003 Act that provide more opportunities for local partners and police to limit the unacceptable activities of licensed premises should be used more, and that is precisely what we are trying to enable people to do at the moment.

Keith Vaz (Leicester, East) (Lab): I wonder whether the Home Secretary has time in her busy week to come with me to visit Tesco, where she would be able to see the unacceptable practices still being conducted by the supermarkets. They are selling alcohol very cheaply—three for the price of one—and putting all kinds of promotions before people to enable them to buy more and more alcohol cheaply. That is what contributes to our disorder. Will she not accept that the Government must have a floor price on the alcohol sold at supermarkets in order to tackle this very serious problem of alcohol-related crime, especially at this time of the year?

Jacqui Smith: During my busy weekend, I was able to take a trip to a supermarket. As I think I said the last time he questioned me about this, my right hon. Friend's Committee made some important recommendations, and those have certainly fed into the proposals we are making to help counter alcohol-related disorder. We carried out a considerable research study with the university of Sheffield on the impact of minimum pricing, and, as my right hon. Friend the Secretary of State for Health has made clear, given the current economic climate in particular, we do not intend at this moment to introduce the sort of minimum price to which my right hon. Friend the Member for Leicester, East (Keith Vaz) was referring. However, we certainly have not closed off that option for the future, and the Health Secretary is already undertaking more work into the impact and consequences of that particular form of action.

Mr. Gary Streeter (South-West Devon) (Con): I disagree with the Chairman of the Select Committee on which I serve, but I accept that there is a point to address about people "tanking up" on cheap supermarket booze at home before unleashing themselves on the streets. I agree that it would be wrong for a Government to set a minimum price for alcohol, but will she encourage the supermarkets, which talk an awful lot in our constituencies about their social responsibility to the community, to think of this issue as part of that responsibility? Perhaps, given our particular problems, they should be encouraged, voluntarily, to be a little more responsible.

Jacqui Smith: Perhaps I should make it clear to the hon. Gentleman that my visit to the supermarket over the weekend was not made to "tank up" before I hit the streets. However, I agree with his point about the social responsibility of supermarkets—responsibility that I know they also take seriously and which I am sure they would want to manifest publicly.

Mrs. Madeleine Moon (Bridgend) (Lab): This weekend, a further five street pastors were commissioned in Bridgend. That brings the total to 46 individuals from 17 churches giving their time to support the police in tackling antisocial behaviour and inappropriate drinking, and helping people who are distressed out on the streets of Bridgend when, on a Friday or Saturday night, they have gone out for a social occasion. Is that not another way in which we can reclaim the streets for ordinary law-abiding people so that people can enjoy a night out without having to be intimidated and threatened?

May I also advise my right hon. Friend that the street pastors are now not only covering that 10 until 4 in the morning slot, but going on to one of my estates and working from 6 until 8 with youngsters, which will also improve life on that estate?

Jacqui Smith: I thank my hon. Friend for inviting me to Bridgend to see the excellent work being done by the street pastors alongside the local police force and the local authority. I was impressed by that partnership. As she says, it was already showing considerable results on the streets and I am pleased to hear that it has been expanded.

James Brokenshire (Hornchurch) (Con): Despite the Home Secretary's promise of more legislation, the Home Office still has not got round to implementing existing alcohol legislation on the introduction of drinking banning orders. Will she confirm whether the Home Office was unable to reach agreement with the Ministry of Justice on the cost of implementing the orders, estimated at £32.5 million under the MOJ's controls on downstream costs on the courts and legal aid budgets, and whether the Home Office's legislative hyperactivity is finally catching up with it and it is becoming an unlikely new victim of the economic downturn?

Jacqui Smith: No, because as I announced recently we will be introducing drinking banning orders by application next year.

Migration Advisory Committee

7. **Anne Moffat** (East Lothian) (Lab): What assessment she has made of the recent work of the Migration Advisory Committee on shortage occupation lists. [242971]

The Minister for Borders and Immigration (Mr. Phil Woolas): We are grateful for the work of the Migration Advisory Committee. The committee provides expert independent advice on where the country needs economic migration and where it does not. The Government have decided to implement the committee's recommendations in full, and in addition to retain social workers on the UK shortage list while the MAC considers evidence of relevance to their inclusion.

Anne Moffat: I thank my hon. Friend for that answer. How does the work of the committee assist British businesses and workers, including in Scotland?

Mr. Woolas: The idea, of course, is that, through the committee's expert advice, we can identify where there are skill shortages in order to place those shortages on the migration list under the points-based system, but also, crucially, to provide for training and skilling for British workers—for my hon. Friend's constituents—to get jobs. As part of that approach, we also have specific measures for Scotland to identify those sectors of the economy where there are particular short-term problems.

Pete Wishart (Perth and North Perthshire) (SNP): The Minister will appreciate that Scotland has different population and immigration requirements from the rest of the UK, yet the MAC list has as additional groups only care home nurses and fish filleters. In his assessment, what difference will that make to Scottish population problems? Do we not need significantly more help than that?

Mr. Woolas: The hon. Gentleman is being slightly unfair, as he has missed out quality controllers in the fish processing industry, which in Scotland is extremely important. As I said, the UK list covers Scotland so that within those sectors that apply to Scotland and to the rest of the UK we can provide for training and skilling in skill shortage areas, for the benefit of his constituents. It is a fair and tough policy, but flexible for local economic needs.

Mr. Frank Field (Birkenhead) (Lab): Given that more than 70,000 skilled workers have come into the country in the past three years under the skilled workers scheme and that the Home Office does not know where any one of them has found a job or whether they have found skilled jobs, and given that unemployment is now rising, what steps are the Government taking to control the scheme?

Mr. Woolas: I am grateful to my right hon. Friend for that question. It is precisely because of the concerns that have been raised that we have introduced the points-based system and the criteria that we can apply to skills within the different tiers of the system. As a result of that system, we can provide reassurance to our constituents that their concerns are being put foremost and we can match the skills shortages with the skills training programmes for British workers while applying the criteria of the tiers within the points-based system to control migration.

Mr. Nicholas Soames (Mid-Sussex) (Con): What further thought has the hon. Gentleman given to the proposals put to him by the right hon. Member for Birkenhead (Mr. Field) and me arising from the balanced migration campaign and the need to break the link between people's coming here to work and their apparently now automatic right to settle?

Mr. Woolas: I am grateful to be in the middle of a pincer movement, which is a very effective one, if I may say so. The hon. Gentleman is right. It is important to break the link between people's coming here to work for a specific purpose under the skills shortage scheme or the high skills scheme, or under other smaller schemes, and their automatic right to settlement. It is very important that we break that link and that is what we are doing.

Asylum Seekers

8. **Mr. Andrew Pelling** (Croydon, Central) (Ind): How many asylum seekers supported under section 98 of the Immigration and Asylum Act 1999 were in emergency hotel accommodation in (a) the London borough of Croydon and (b) England and Wales in the last period for which figures are available. [242972]

The Minister for Borders and Immigration (Mr. Phil Woolas): As at week ending Friday 5 December 2008, there were 156 asylum seekers supported under section 98 of the Immigration and Asylum Act 1999 in the London borough of Croydon and just over 1,000 supported under the same section in England and Wales. Section 98 accommodation is predominantly provided in blocked accommodation, such as former hotels and hostels.

Mr. Pelling: The Home Department should be congratulated on providing such accurate information. In the constituency that neighbours mine—the constituency of the right hon. Member for Croydon, North (Malcolm Wicks)—there was an unfortunate incident where an asylum seeker sought to be fed but ended up being involved in a contretemps where he was hit with a chain. What is done by the Government to ensure that reasonable service is provided to section 98 asylum seekers and what is done to oversee the quality of the contracts that are delivered?

Mr. Woolas: I am grateful to the hon. Gentleman for raising that issue. On sight of his question, I asked for information and I shall write to him with the details of that investigation. I am satisfied that our officials and officers acted properly. It would appear that there was provocation and I shall give the hon. Gentleman details in my letter.

Jeremy Corbyn (Islington, North) (Lab): Would the Minister not agree that it might be better to house people in emergency or local accommodation where they are allowed to remain for some time? We all come across cases where asylum seekers are frequently moved, which means that schools for children, access to GP services and other essential services that are required are often simply not available or that the lives of those asylum seekers are subject to incredible disruption. Would it not be better if they were given a more stable living?

Mr. Woolas: The best thing to do is to deal with the asylum applications quickly, effectively and fairly. The improvements that we are making in that regard have been quite rightly applauded. On my hon. Friend's specific point, the section 98 people to whom the hon. Member for Croydon, Central (Mr. Pelling) referred are, of course, immediate applicants. The dispersal policy strives to meet the objectives outlined by my hon. Friend the Member for Islington, North (Jeremy Corbyn) and it is important that we have as many local authorities in partnership as possible in order to achieve that fairly.

Police (Beat)

10. **Mr. Adam Holloway** (Gravesham) (Con): What recent estimate she has made of the proportion of time police officers spend on the beat. [242974]

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Vernon Coaker): The Government are committed to delivering a visible and reassuring police presence. At the end of March 2008, 64.9 per cent. of police officer time was spent on front-line duties, the fourth successive annual improvement since 2003-04. Since April 2008, there has been a neighbourhood policing team in every area. The policing pledge includes a commitment for neighbourhood policing teams to spend at least 80 per cent. of their time visibly working on their patch.

Mr. Holloway: What does the Minister think the Government's Green Paper means when it says that the target culture in the police has created a perverse incentive that is distorting police action?

Mr. Coaker: It means that it is time for us to look at how we measure what the police do and the progress that has been made, particularly in terms of reducing crime across the country, including in the hon. Gentleman's constituency. He will know that as a consequence of review we have a single, top-down target that will simply relate to the confidence of local people in their police. I think that is the target the police want and the target the general public will want as well.

Mr. Lindsay Hoyle (Chorley) (Lab): My hon. Friend is aware that the general public—everybody out there—want high-visibility policing. What more can he do to ensure that there are more police on the beat and that there is less form-filling and less time taken locking people up in long-distance lock-up centres instead of using local cells more efficiently to ensure that the police are back on the streets to lock up more problems. Will he do something about it?

Mr. Coaker: My hon. Friend has been a long-time advocate of ensuring that there is a greater visible police presence on the streets. In his area—as in every area across the country—there are now neighbourhood policing teams, with dedicated police officers and police community support officers, out there on the street. He will have heard earlier about the measures we are taking to ensure that we reduce bureaucracy and the amount of form-filling that police officers have to do so that they can spend more time out on the street. The work I saw in Staffordshire, which has also been going on in Surrey, the west midlands and Leicestershire, shows that we can reduce the amount of form-filling. That empowers front-line officers and means that they can spend more time out on the street, where I know my hon. Friend wants them—as indeed we all do.

Topical Questions

T1. [242988] **Mr. Andrew Pelling** (Croydon, Central) (Ind): If she will make a statement on her departmental responsibilities.

The Secretary of State for the Home Department (Jacqui Smith): Domestic homicide of women is at the lowest rate for 10 years. Conviction rates for domestic violence cases have risen from 46 per cent. in 2003 to 72.5 per cent. in 2008. Between 1997 and 2007-08, there was a 58 per cent. fall in domestic violence incidents. Despite all that, we know we must do more, particularly

at the Christmas period when women are at increased risk. For many, Christmas is a family time but for some it is a time of fear, violence and isolation. A new advertising campaign supported by the Home Office, Women's Aid and Refuge begins today to encourage domestic violence victims to seek support and not to suffer in silence. It supports a Home Office-funded enforcement campaign over Christmas in 10 police force areas; it includes innovative tactics such as the use of body-worn video cameras by police, dedicated domestic abuse response vehicles and increased front-line policing, targeting the highest risk domestic violence victims and offenders.

Mr. Pelling: I was very impressed that a member of the Home Office ministerial team spent a long time listening—not speaking—on the issue of knife killings in Croydon, although mentioning them is unfortunately not a proud boast for any Member of Parliament. Does anyone in the ministerial team feel that there is any good practice that could be copied in terms of providing additional resources for policing in Croydon, bearing in mind that since the Minister visited there have been two more street killings? I know that it is a devolved matter, but by following good practice elsewhere could the formula for funding for extra police officers be changed after such a significant increase in the number of street killings in a particular place?

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Vernon Coaker): I was delighted to visit the hon. Gentleman's constituency and to see him talking to young people in particular about the work they are doing to tackle knife crime in their area. The work done in Croydon shows that the police cannot solve the problem on their own through enforcement. Of course, police enforcement is essential, as we have seen in the success of stop and search and the increased number of people going to prison for possession, but alongside that, we need the involvement of local authorities, local residents and young people. From my visit to the hon. Gentleman's constituency, I learned the value that young people can bring to that process. We need to remember that the vast majority of young people are decent—they are not involved in knife crime; but in terms of the solution, if we listen to what they say, they have part of the answer. As much as anything else, that is what I learned from my visit and I know that the hon. Gentleman was impressed as well.

T2. [242989] **Mr. Neil Gerrard** (Walthamstow) (Lab): Given the return last week of a charter flight that was taking failed asylum seekers to Iraq—it seems to have been refused permission to land; certainly it did not land—can the Minister tell us which countries are receiving charter flights of people who have been forcibly removed from the UK, and whether there have been other instances of planes being refused permission to land?

The Minister for Borders and Immigration (Mr. Phil Woolas): I think that the report to which my hon. Friend refers concerned the joint UK-French flight. The UK is able to return people to both Iraq and Afghanistan in that way, and we continue to work with our partners in the French and Belgium authorities towards that end.

Bob Spink (Castle Point) (Ind): Will the Home Secretary commend Essex chief constable Roger Baker's policy of ensuring that a police officer attends whenever there has been a crime, and does she think that the policy could be spread to other constabularies as good practice?

Jacqui Smith: I was very pleased to visit Essex constabulary at the beginning of December, and to praise chief constable Roger Baker and the Essex police force for being the first to commit publicly to the police pledge. At the heart of the police pledge is how we can ensure that local people have the information, support and ability to have an input into the policing that they want. Chief constable Roger Baker is doing an extremely good job in Essex.

T4. [242991] **Dr. Roberta Blackman-Woods** (City of Durham) (Lab): Has my right hon. Friend considered the damage that could be done to public confidence in policing if direct elections to the police authorities meant a rise in the sort of irresponsible behaviour displayed by the Liberal Democrat parliamentary candidate in Durham? They have sent out leaflets saying that crime has increased massively in the area, but that is not the case. Is my right hon. Friend looking at a range of measures to improve—

Mr. Speaker: Order. That is not a matter for the Home Secretary to consider.

T3. [242990] **Dr. Julian Lewis** (New Forest, East) (Con): The Home Secretary will remember the House's overwhelming support for the idea that hon. Members' home addresses should not be revealed in response to freedom of information requests. A consultation, organised by her colleagues in the Ministry of Justice, is under way on whether such addresses should be replaced by just the first half of the postcode, which, at election times, could be included on nomination and other relevant paperwork. Does she agree, from the point of view of her work on fighting terrorism, that that would be a good, sensible compromise that would add to the safety of hon. Members?

Jacqui Smith: Clearly, I do not want to pre-empt the consultation, but the hon. Gentleman makes a very important point that I know is being borne carefully in mind by my colleagues in the Ministry of Justice. He has made it forcefully on numerous occasions, and I think that he has significant support from across the House on the issue.

T6. [242993] **David Taylor** (North-West Leicestershire) (Lab/Co-op): When people expressed concerns about the vigour shown, and resources devoted, by the police in relation to the Kingsnorth climate camp, we were told that it was justified because dozens of injuries were incurred. We have now found that those injuries were of a more prosaic origin—they were due to things such as insect stings and sunstroke. Unless the protesters are to be held responsible for wasps and the weather, are we not to conclude that the justification used at the time was wholly bogus and vacuous?

Mr. Coaker: I have written to the hon. Member for Cambridge (David Howarth) on the issue. I was informed that 70 police officers had been hurt, and naturally

assumed that they had been hurt through direct contact, as a result of the protest. That clearly is not the case, and I apologise if that caused anybody to be misled. I can say to my hon. Friend the Member for North-West Leicestershire (David Taylor) and other Members that the National Policing Improvement Agency is currently considering the lessons to be learned from the Kingsnorth climate camp protest. I will meet the public order lead of the Association of Chief Police Officers to discuss the report, so that we can share the lessons to be learned from Kingsnorth with police forces across the country.

T5. [242992] **Mr. Adam Holloway** (Gravesham) (Con): In an earlier answer, the Minister for Security, Counter-Terrorism, Crime and Policing said that local people's confidence in the police was a key indicator, so can he tell me why people are increasingly not bothering to report crimes to the police?

Jacqui Smith: The hon. Gentleman makes an important point. As we have frequently said, local people are one of the best weapons in helping to fight crime. It is precisely to give local people the confidence to report crimes to the police that, working alongside ACPO, we are pleased that the policing pledge, which provides monthly local information, monthly opportunities to feed in concerns, and much better communication between neighbourhood policing teams and local people, will be in place across the country by the end of the year. That will help to ensure that local people know that they can and should play their part in tackling local crime and antisocial behaviour.

T10. [242997] **Natascha Engel** (North-East Derbyshire) (Lab): We have heard today how much social disorder in town centres is caused by excessive alcohol and irresponsible selling by clubs and bars, which are still doing offers such as "women get in free", and "drink as much as you can for seven quid". What is my right hon. Friend doing to make sure that licensing laws are enforced effectively?

Jacqui Smith: I share my hon. Friend's concerns about the sort of irresponsible promotions that she outlined, which is why, having commissioned KPMG to look at how the industry was fulfilling its responsibilities under a voluntary code, it became clear that in some cases those responsibilities were not being fulfilled, so we are now proposing to introduce in the policing and crime Bill the ability to provide a mandatory code, which would outlaw precisely the type of irresponsible promotion that she outlined.

T7. [242994] **Tim Loughton** (East Worthing and Shoreham) (Con): The last time that I raised an issue in topical questions with the Home Office, it was on the subject of a heavily fortified cannabis café that operates in my constituency. Alas, it is still a topical question, because 20 months on, a heavily fortified cannabis café is still a cause of blight for the local community, despite the best efforts of the police. Without going into details, because charges are pending, the café is still operating, so can the Minister give me some assurance that the law can be looked at to make sure that that nuisance can be properly addressed and the police given proper powers, because of the enormous inconvenience and concern in the local community?

Mr. Coaker: The hon. Gentleman has raised this issue with me on a number of occasions, and what is happening in his constituency is absolutely deplorable, as is the inability of the law—not the police—to tackle that problem and deal with it. If it would be helpful to have a further meeting to discuss with officials what further action we might take to try to bring an end to that totally unsatisfactory situation with the cannabis café in his constituency, I am perfectly happy to have one. Where the law needs to be changed, that should be looked at, and it should be changed.

David Howarth (Cambridge) (LD): Returning to the issue of Kingsnorth policing, I thank the Minister both for what he has just said and for the letter that he wrote to me. However, in the light of the new information available to the House, would he care to revise his conclusion that the policing of Kingsnorth was proportionate and appropriate, especially as we also know that large numbers of protesters were injured at the hands of the police, especially by batons?

Mr. Coaker: I have apologised to the hon. Gentleman for that, and as he quite rightly said, I have written to him. I think it would be best for me to wait for the NPIA report on what happened at Kingsnorth, and to review it with the ACPO representative responsible for public order to see what lessons can be learned. I would then be happy to share those conclusions with the hon. Gentleman.

T8. [242995] **Miss Anne McIntosh** (Vale of York) (Con): How does the Home Secretary respond to the charge that when she has good news from her Department she rushes out, for example, selective knife crime statistics, but when there is bad news, such as a cut to police funding for North Yorkshire, it is sent out in the most ponderous, opaque and obscure language that no one can understand?

Jacqui Smith: There has been no cut in funding for North Yorkshire police, so I hope that the hon. Lady will make that clear as well. All police authorities are getting an increase of at least 2.5 per cent., alongside the other grants that they receive.

Mr. Gordon Prentice (Pendle) (Lab): Does my friend intend to implement the recent ruling of the European Court of Human Rights that it is quite wrong for DNA to be taken, and held, from people who have not been convicted of any crime?

The Parliamentary Under-Secretary of State for the Home Department (Mr. Alan Campbell): DNA and fingerprints play an invaluable role in fighting crime. We are carefully considering how best to give effect to the recent judgment of the European Court of Human Rights, but I remind the House that in 2007-08 there were more than 37,000 crimes with a DNA match, 363 homicides and 540 rapes. We will not rush to judgment, and we will not be rushed, either.

T9. [242996] **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): We are all aware that an obesity epidemic is spreading across our country. Not only do

police officers appear younger, but many of them appear larger as well. What assessment has the Home Office made of the effect of declining levels of physical fitness on the operational effectiveness of our thin blue line?

Jacqui Smith: I have seen no evidence that our police officers are not able to carry out their responsibilities fully, actively and with great fitness. I am sure the hon. Gentleman did not mean to imply that, and I do not believe that it is the case.

EU Council/Afghanistan, India and Pakistan

3.30 pm

The Prime Minister (Mr. Gordon Brown): I am sure the whole House will join me in sending our profound condolences to the family and friends of Corporal Lee Churcher, of the Royal Engineers, who died while serving in Iraq, and Corporal Marc Birch, Marine Damian Davies, Lance-Corporal Jamie Fellows and Sergeant John Manuel of the Royal Marines, who lost their lives in Afghanistan. This is a tragic loss. We owe them and all those who have lost their lives in the service of our country our gratitude for their service and sacrifice. As a House and as a nation, we will never forget them. As I saw in Afghanistan on Saturday, our troops are serving with great skill, great courage and enormous dedication. It can truly be said that Britain's armed forces are the best in the world, and we are immensely proud of all who serve in them.

With permission, Mr. Speaker, I would like to make a statement on the European Council held last Thursday and Friday, and on my visits to Afghanistan, India and Pakistan this weekend. The European summit focused on two global challenges—economic recovery and climate change. I can report, first of all, that the Council agreed measures worth around 1.5 per cent. of European GDP—that is, around €200 billion—which will provide a fiscal stimulus for the European economy. This 1.5 per cent. fiscal boost is in addition to the work of the automatic stabilisers. The measures agreed included support for

"increased public spending, judicious reductions in tax burdens and direct aid to households, especially those which are most vulnerable"—

exactly the measures that Britain has already taken, just as France has announced a package of measures worth €26 billion, Spain measures worth €11 billion, and Germany a fiscal package worth €32 billion.

Just as Europe came together in October and November to lead the recapitalisation of the banks, so too Europe has agreed unanimously co-ordinated action which will support employment and growth. The Council agreed that its action was in a

"united, strong, rapid and decisive manner",

and while committing to medium-term sustainable public finances, it agreed to

"mobilise all the instruments available to it."

By acting in a co-ordinated and concerted way, the impact on jobs in each country is much greater than if we acted on our own, and the action across Europe will be of help to Britain, where nearly 60 per cent. of our trade is with the rest of Europe. The co-ordinated European action includes a speeding up of public procurement, a continued and general

"reduction in administrative burdens on business",

and an additional €30 billion from the European Investment Bank to be invested in Britain and throughout Europe in the coming year.

So the debate about the use of fiscal policy to stimulate our economy and to give direct support for families and businesses in Europe is resolved. Europe favours substantial fiscal stimulus alongside cuts in interest rates. I am confident that the new American Administration of President-elect Obama will also introduce a large fiscal stimulus. This European set of announcements is the answer to those who said that nothing could be done and that the recession must take its course, and who believe that fiscal policy has no role to play. Indeed, even at this time of difficulty, they believe that public spending should be cut.

To back up the loan guarantee scheme, the export credits and the deferral of tax, today the Chancellor will announce new measures to speed up the resumption of lending to businesses and home owners, and the Minister for Housing will announce a £400 million package of measures which, building on our help with mortgages to avoid repossessions, will help up to 18,000 first-time buyers draw on the home shared equity scheme to get on their first rung on the housing ladder—real help to families and businesses now, possible only because we are prepared to make a fiscal stimulus in the economy.

In advance of Copenhagen next year, the summit agreed a new energy and climate change policy supported by all member states. When it is approved by the European Parliament, as I believe it will be, the programme will put into European law four far-reaching commitments: a 20 per cent. cut in greenhouse gas emissions by 2020, which, as part of the right international agreement, we will raise to 30 per cent.; a target that 20 per cent. of the European Union's energy will come from renewables by 2020; a strengthened European Union emissions trading scheme with 100 per cent. auctioning of permits in the power sector, the introduction of auctioning for other sectors of the economy and help to ensure that businesses in international markets can adjust; and a financing mechanism to make potentially around €9 billion available for the commercial demonstration of carbon capture and storage.

Carbon capture is a transformative technology that every major economy will need, to ensure that it can continue to use coal, oil and gas without contributing to climate change. These commitments make Europe the first continent to make legally binding the detailed policies required to set itself on a path to a low-carbon economy. They provide a clear signal to the rest of the world that an international agreement on climate change can be achieved in Copenhagen next year. This was matched by agreement at the United Nations talks in Poznan at the same time, where a framework for countering deforestation was agreed. Britain will make a contribution of £100 million to that from our environmental transformation fund for sustainable forestry activities in developing countries.

At the European Council, agreement was also reached on measures to answer concerns expressed to us by Ireland. All countries were agreed that there could be no change or amendment to the Lisbon treaty and that we should proceed to ratification, with the Irish agreeing to hold a referendum within the next year. At the same time, to meet Irish concerns, it was agreed: that the Lisbon treaty, as we have always made clear, in no way affects the rights of member states to make taxation decisions; that the treaty in no way affects the individual defence policies of member states, including our obligations to NATO and Ireland's traditional neutrality; and that because, as we have been clear, the charter of fundamental rights creates no new rights at a European Union level, the Irish constitution provisions on the right to life, education and family are not affected by its incorporation into the treaty—nor are they affected by the justice and

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home affairs provisions of the treaty from which Ireland has an opt-out. The Lisbon treaty allows for the Council, by a unanimous decision, to agree to ensure that each member state retains a Commissioner—and this, we stated, we would be prepared to agree to.

The Council also made an important statement on the middle east process. The Council welcomed efforts to give renewed momentum to the Arab peace initiative and affirmed that the EU will do all it can, practically and politically, to support the peace process and to urge the new US Administration to make it a major priority in the new year.

Let me turn to Afghanistan, India and Pakistan. I have already paid tribute to, and I reiterate, the service, sacrifice and dedication of our armed forces. Today, I can inform the House that the increased compensation payments have come into force—a doubling, for the most serious injuries, to a new maximum lump sum of £570,000 for armed forces personnel wounded in action or otherwise, an increase that means that around £10 million will be paid to 2,700 troops who have been awarded lump-sum payments.

While in Afghanistan, I and the Chief of the Defence Staff met President Karzai and took stock of our strategy with commanders and senior officials. We saw at first hand the hard and dangerous work that the armed forces are doing in very arduous conditions, far from home. Our goals in Afghanistan are clear: to support democracy and confront terror at its source; to build the Afghan capability by training its army and police to spread the rule of law into empty spaces on the map which shelter terrorism, narcotics and other problems; in all this, to root out corruption, respect local ways of life and strengthen traditional Afghan structures; and to give Afghan people an economic stake in the future.

Free and fair elections are an essential part of Afghans taking control of their own security and destiny. So as we approach the Afghan elections planned for next year, on top of the work that we are doing with NATO and the Afghan army to ensure security for those elections, we are pledging to contribute $10 million to help with voter registration. In return for this renewed commitment, and others, that we will make from Britain, I have asked for quicker progress on the decisions at the NATO summit on burden sharing, and I have asked President Karzai for leadership in tackling corruption. For our part, we are offering a multi-agency taskforce which we are ready to send immediately to tackle corruption.

Five years on from the first free and fair elections Afghanistan has seen in decades, we should reflect on what has been achieved. As Governor Mangal of Helmand, whom I met on Saturday, said,

"it has been a hard year for our brave police and soldiers, but it has been a much harder year for our enemies who have found through experience that they cannot defeat us."

Today, with 5 million refugees returning to Afghanistan, 4 million more children in school, great improvements in health care, including massive reductions in child mortality, and the national income up 70 per cent., our task is to ensure that violence and insecurity do not threaten that progress.

Security depends on proper burden sharing. In recent weeks we have had to respond to the threat from insurgents in the district of Nad-e Ali near the provincial capital of Helmand. The operation involves 1,800 troops, not just from Britain but from Denmark, the USA and Estonia. It is a model of burden sharing that we need to see replicated across the whole of Afghanistan. Forty-one countries are involved in the NATO mission, but the burden is not always shared equally. As the international community and the American President-elect contemplate strengthening our commitment to Afghanistan, it is vital that all members of the coalition contribute fairly. This will be a subject of the NATO meeting on 3 and 4 April.

The second pillar of security in Afghanistan is enabling the Afghan people to take greater control of their own affairs by training thousands of Afghan soldiers and thousands of police. With our help, Governor Mangal is starting to work with tribal leaders, whom I met in Musa Qala—a place that only last year was in Taliban hands, but is now building basic services such as roads, power and water, and new schools and hospitals, which are having a tangible impact on the lives of Afghan people. This is starting to bring to Helmand the wider progress that we have seen in other parts of Afghanistan. To reinforce this progress, and having been briefed on the decision by the British commander—as is his right—to call forward reserves to work with our allies and deploy them on a temporary basis in the campaign in central Helmand, the Defence Secretary and I have decided, on advice from the defence chiefs, to approve until August, including the period of preparation for the elections, an increase in the number of British troops deployed to Afghanistan from just over 8,000 to around 8,300.

We, the Americans and the international community as a whole increasingly recognise that we cannot deal with Afghanistan in isolation from Pakistan. There is a chain of terror that links the mountains of Afghanistan and Pakistan right through to the streets of the UK and other countries around the world, and that chain of terror must be broken. On 27 November, the whole world learned that terrorists based in Pakistan can strike anywhere, when a murderous assault condemned by the whole world saw 12 terrorists kill 175 people in Mumbai, including British citizens. This weekend, I met Prime Minister Singh and President Zardari to discuss action that now has to be taken. I expressed my condolences to Dr. Singh, and through him to the Indian people, and assured him that the whole of Britain stands fully alongside India in its determination to see those responsible brought to justice.

I pay tribute to the efforts in Pakistan to deny the federally administered tribal areas as a training ground for terrorism and for the insurgency in Afghanistan and for terrorism. Indeed, more than 100 Pakistani troops have died since July this year in that area. Plots hatched in the FATA have a direct impact on the UK: of the security services' top-priority terrorist investigations, three quarters have links to Pakistan. So our commitment to countering terrorism and the empty spaces that shelter terrorism, and to building local capacity in Pakistan to do so, must be just as strong in Pakistan as in Afghanistan. The time has come not for more words but for more action. We will offer our support to the democratically elected Government of Pakistan, but that Government must act rapidly and decisively against the terror networks based on their soil.

Pakistan's own future depends on action against those within its borders who are bent on the destruction of its elected Government and Pakistan's relations with its

neighbours. To make this effective, Britain will work with both India and Pakistan to continue building counter-terrorism capability. Yesterday, I was able to announce more help on bomb disposal capability, scanning devices and airport security, and help to draw up new laws and to set up counter-extremism centres. Our assistance programme to Pakistan is the most comprehensive we have with any country, and will now include a programme, initially worth £6 million, to tackle the causes of radicalisation.

No matter how serious the other tasks we face, security is the first duty of Government. We will always maintain our vigilance against the evils of terrorism. I commend this statement to the House.

Mr. David Cameron (Witney) (Con): I join the Prime Minister in paying tribute to our servicemen Marine Damian Davies, Sergeant John Manuel, Corporal Marc Birch and Lance-Corporal Jamie Fellows, who were all killed in Afghanistan, and Corporal Lee Churcher, who was killed in Basra. It is particularly poignant talking about their families' tragic loss at this time of year, but it should remind us of the bravery our troops show every day of the year.

Let me deal with the Prime Minister's visits first. On Afghanistan, one of the lessons of Iraq was that the Government must give clear and frank assessments of what is happening on the ground. Does he agree that there are real causes for concern? The Taliban are operating closer and closer to Kabul, the road network is increasingly unsafe, and the number of Taliban and their armaments appear to be growing rather than shrinking. Does he agree that as well as a realistic assessment of conditions, we need a realistic mission? Should it not focus predominantly on security and rooting out terrorist training, not on an unrealistic objective of completely transforming a society thousands of miles away?

Clearly, our servicemen and women are doing a great job, but what about the others who are key to success? Can the Prime Minister tell us more about the representations he made to President Karzai, not just about fraud in his Government, but about drug dealing by those associated with them, and corruption by public officials?

On troop numbers, the Petraeus review is vital and it would be helpful if the Prime Minister could tell us about our contribution to that review, but surely we should send more troops only if there is a proper political strategy to help to deliver security, if there is more effective burden sharing with our NATO allies and if there is a corresponding increase in vital equipment, especially Chinook helicopters and armoured vehicles.

Just as important is progress in Pakistan. Does the Prime Minister agree that the British public will not understand why we are making sacrifices to prevent terrorist training camps from being established in Afghanistan if they are still operating across the border in Pakistan? He said that he received assurances from President Zardari about taking action, but what is the Prime Minister's assessment of the ability of the Pakistan army, and the Pakistan intelligence services, to deliver on the commitments that he was given? Did he raise those matters directly with the Pakistan chief of general staff, General Kayani?

Turning to Mumbai, I know that the Prime Minister agrees that we must strengthen our relationship with India. Can he tell us more about the close co-operation we need between our security services? Clearly, this style of attack on a major city in an open society is a new tactic. Can the Prime Minister tell the House what the Government will do to address that threat here?

Turning to the European Council, on climate change we support the so-called 20/20/20 package, but will the Prime Minister confirm that the UK target for renewables is actually lower than 20 per cent., at 15 per cent. of total energy consumption by 2020? Would he accept that this environmental agreement shows that it is possible for Europe to take important decisions on important issues without new treaties and without new constitutions? The Lisbon treaty, by the way, has just seven words on the environment; that is all that it has on the subject.

On the Lisbon treaty—*[Interruption.]* Yes, I read it, actually—Europe's leaders had to make a big decision: do they respect the wishes of the people? The answer was a resounding "no". Just what is it with this Prime Minister and elections? An unelected Prime Minister wants to force the Irish people to vote twice because he did not like the result the first time, and he refuses to allow the British people to vote once because he is afraid that he would not like the result of that, either. Does he agree that one of the advantages of an early election here in Britain would be that the Lisbon treaty could be put to the people in a referendum, and we could let them decide?

Turning to the economic package, the Prime Minister makes three claims. First, he says that Britain is well prepared. If that is true, can he tell us why the pound has fallen to another record low? Is he aware that this lunchtime, his Olympics Minister said that Britain is

"facing a recession deeper than any that we have known, almost certainly"?

So is it not clear that we are not well prepared?

Secondly, the Prime Minister says that those in the EU all agreed with him that every country should take part in the same sort of fiscal stimulus, regardless of their situation. So why does the European Commission statement for the Council state:

"It is clear that not all Member States are in the same position.

Those that took advantage of the good times to achieve more sustainable public finance positions... have more room for manoeuvre now."

The Prime Minister did not read that out. It continues:

"For those Member States, in particular those outside the euro area, which are facing significant imbalances, budgetary policy should essentially aim at correcting such imbalances."

In other words, "If you're in a hole like the one the Prime Minister has put us into, stop digging."

Thirdly, the Prime Minister said that he is setting the agenda with his particular measures—he is leafing through his papers to try to find them. Let us take VAT. The French Finance Minister said:

"As far as we're concerned...we're not certain that when prices go down, a VAT reduction is that effective."

The German Social Democrat budget spokesman said that the cut in VAT was counter-productive.

That brings me to the Germans. I note that the Prime Minister did not really mention them—or perhaps he did once, but he thinks he got away with it. Is not it true

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that the German Finance Minister—another Social Democrat, by the way—has completely blown the Prime Minister's credibility out of the water? He described his approach as "crass" and mistaken. He criticised Britain's debt, which he believes will

"take a whole generation to work off."

In response, the Prime Minister claims that Germany's fiscal expansion backs up his own plans. However, Germany went into the downturn with a budget surplus; it fixed the roof when the sun was shining. In contrast, the Prime Minister led Britain into the downturn with the largest budget deficit in the industrialised world. Next, he claimed that this was all to do with internal German politics, but has not that claim been shattered, too? The Christian Democrats' budget spokesman said that the German Finance Minister's comments

"have nothing whatsoever to do with internal German politics... the tremendous amount of debt being offered by Britain shows a complete failure of Labour policy".

The Prime Minister is always telling us that he wants a consensus. He certainly got one in Germany: they all think that he has got it wrong.

With the EU Council in mind, will the Prime Minister act to deal with what the Governor of the Bank of England says is the most pressing challenge: getting banks lending again? Will he adopt our proposal for a national loan guarantee scheme? I have the draft Bill here. Will he support it, so that we can get business trading and Britain out of the recession? Instead of dreaming about saving the world, when will the Prime Minister start saving businesses here in Britain?

The Prime Minister: Let me say first of all that I agree with what the right hon. Gentleman says about the losses of life in Iraq and Afghanistan. It is particularly poignant, as we face Christmas, that so many families will be without their loved ones as a result of those deaths.

I thank the right hon. Gentleman for his support for what we are doing on Afghanistan, Pakistan and India. Our plan in Afghanistan is clear: to complement the military action that we have to take—because this is the front line against the Taliban—by helping Afghan people take more control of their lives and have a stake in the future. To do that—yes, we must tackle corruption. That is why we have offered President Karzai a multi-agency taskforce, which we will put at his side in Kabul to help him deal with the problems. It is also why we have taken the necessary action to increase our troop numbers in central Helmand so that they can deal with the Taliban in that vital area of Helmand.

When I was in Musa Qala, I could see that a place that the Taliban held a year ago is now a place where there is law and order. A school and a hospital had just been built and opened as a result of the investment that we and others are making. Afghan people are now taking control of the judiciary system and law and order in that area. If that can be done in Musa Qala, it can be done in other parts of the region.

I have to dispute what the right hon. Gentleman says about the money that we are providing for helicopters and vehicles. We announced only last week more provision for helicopters, and we have spent £1 billion on vehicles. We are determined that our troops have the best and most modern equipment.

I agree with the right hon. Gentleman that we must deal with the root of the problems in Pakistan, and I support what President Zardari is doing. I did meet General Kayani and talked to him about his responsibilities and those of the Pakistani army and the ISI to ensure that terrorists who have operated from Pakistan to do damage in India are properly rooted out, that the training camps of TEL are closed down and that order is brought back to the FATA areas. I believe that General Kayani shares President Zardari's view that those things must be done, so that Pakistan can show the world that it is taking the action that is necessary.

I now turn to the European meeting. The right hon. Gentleman did not say much about climate change, but he questioned whether we were doing enough. I believe that the agreement that we have reached on a 20 per cent. cut in emissions by 2020 is an historic agreement. This is the first time that 27 countries have come together, and that was possible only because we are part of the European Union. It is now possible to move forward to the next stage, which is to win a worldwide treaty at Copenhagen, because the European Union—and, hopefully, the American Government—can join together in taking the action that is necessary.

As for Ireland, let me repeat to the right hon. Gentleman that the agreement to meet Irish concerns means that the Lisbon treaty in no way affects the rights of member states to make taxation decisions or individual member states' defence policies—both things that we in Britain have always insisted on. We have also made it clear that the charter of fundamental rights creates no new rights at the EU level. That is something that we have always insisted on, and which the Irish now want as part of their protocol. Therefore, it was perfectly proper for us to support the Irish in their determination to get those three things made absolutely clear, as well as to have a Commissioner of their own.

The right hon. Gentleman talked about what the European Union is doing on the economy, but it is interesting to read what President Sarkozy has said:

"Everybody agrees that there is a need for economic recovery along the lines of the...Barroso plan, around 1.5 per cent."

and what Chancellor Merkel has said:

"Germany has...declared its willingness with regard to this 1.5 per cent....You know...in January we will discuss the matter of further steps".

The one thing that the right hon. Gentleman tries to deny, by quoting people whom he would never quote in ordinary circumstances—German Finance Ministers and European Union politicians—is the one thing that is absolutely true: that the whole of the rest of Europe wants a fiscal stimulus, and wants it to complement the interest rate cuts that are being made. The Conservative party does not even have the Czech social forum with it on this occasion. Not one of the leading parties in Europe supports the position of the Conservative party.

Why is that the case? Because the Conservative party has committed itself not only to doing nothing during this period, but to public spending cuts. The Conservatives say that they will cut public spending from 2010. Just at the point when people need help, they revert to the old policies of the 1980s and 1990s. That is what made

people think of the Conservative party as the nasty party. The Conservatives will give no help to home owners and no help to small businesses, because they will spend no money. They have announced support for a national business guarantee scheme, but there is no public money behind it, as a result of their decisions to cut public spending, and there is no help for the unemployed. This is the Conservative party that we are coming to see. At a time when people need help at Christmas, the Conservatives would pull the help away. It is the same old uncaring Conservative party of the past.

Mr. Nick Clegg (Sheffield, Hallam) (LD): May I add my expressions of sympathy and condolence to the family and friends of Lance-Corporal Steven Fellows, Corporal Marc Birch, Sergeant John Manuel and Marine Damian Davies, who tragically lost their lives in Afghanistan, and to the family and friends of Lee Churcher, who, sadly, died in Iraq? We all owe them a huge debt for their service and sacrifice.

Like so many European Union summits before it, last week's summit was stronger on words than action, richer in promises than in delivery. I welcome the summit proposals for a fiscal stimulus to boost the economy, in the shape of tax cuts and public investment. The question, then, is: why is the Prime Minister not properly practising here at home what he has preached in the European Union? Instead of having his short-term VAT cut, why will he not make the big, permanent, fair tax cuts for ordinary families that were called for at the European summit?

Instead of wasting extra borrowed money on that VAT cut, why will the Prime Minister not invest in green infrastructure for Britain's future, creating green jobs and green growth, as were also called for at the summit? Does the Prime Minister not see that if he does not boost growth in that way—permanent tax cuts and green jobs—Britain will fall behind those countries in Europe that he has been boasting about beating for about a decade? Already, in some places one can no longer buy a whole euro for a pound. Does the Prime Minister recognise that many eurozone economies could surge ahead of Britain, under his leadership, leaving us once again as the sick man of Europe?

The summit was a wasted opportunity to defeat climate change. All those of us who want our children to have a planet worth living on will be disappointed that dirty industry has been given extra time to clean up its act. Will the Prime Minister tell us when the commitments will be reviewed, and when the loopholes for dirty industry will finally be closed?

The Prime Minister also told us about his visits to Afghanistan, India and Pakistan. I welcome his words of commitment to those countries and support the temporary increase of troops until August in Afghanistan. Does he now recognise that any lasting peace in that country will have to come from a regional agreement—like the Dayton peace accords in the Balkans—and that we need to start talking now to China, Russia and Iran? Does he also agree that, if the local pragmatists in the Taliban are to be split from the national fundamentalists, the talks with the moderate Taliban that are going on in the shadows need to be brought out into the light and given new emphasis?

Finally, I was disturbed to see that Zimbabwe warranted only a few words in the conclusions of the summit, even as millions face disease and starvation, and no words at all from the Prime Minister this afternoon. The Government have got their priorities wrong: instead of being tough on Mugabe, they are being tough on his victims, by refusing to allow Zimbabwean asylum seekers here to work, and, despite assurances to the contrary, by still deporting Zimbabweans to their fate—including Privilege Thalambo, who was arrested with her two daughters for deportation just last Friday.

The Prime Minister talks with great passion about Africa, but he is not providing the right leadership. He has given the wrong leadership on the Congo. Why, instead of encouraging EU leaders to send EU troops, has he encouraged them not to send them? He has also given the wrong leadership on Zimbabwe. Why has he not pushed for international action by the United Nations under the new doctrine of responsibility to protect?

Does the Prime Minister not agree that, on the economy, on climate change and on Africa, making the right promises is the easy bit, but delivering them is the real test?

The Prime Minister: The right hon. Gentleman's whole theme was that the summit was stronger on words than on action; if any group in the world is stronger on words than on action, it is the Liberal party.

I shall answer individually each of the questions that the right hon. Gentleman has asked. On troops in Afghanistan, I am grateful for his support for the additional mission to ensure that central Helmand is free of the Taliban.

On Zimbabwe, I disagree that we have done little; we have done a huge amount to try to get humanitarian aid to the people who are affected by cholera, to persuade the southern African states to take the necessary action, to bring this forward to the Security Council, as we are doing, and to ensure that the whole world understands the blood-stained regime that we are dealing with in Zimbabwe. We will continue our efforts to try to persuade African leaders to take a tougher stand on the issue.

On the Congo, I think that the right hon. Gentleman realises that, in preference to rushing to deploy an EU force at the moment, the most important thing is to strengthen the UN force. It is to rise from 17,000 to 20,000, and we have put aside some money to help the recruiting of the additional troops for work in the Congo. By far the quickest and most effective way of getting help to people there, and of dealing with the incursions that are taking place, is to strengthen the numbers, the quality and the leadership of the UN force on the ground.

On climate change, I also disagree with the right hon. Gentleman. There is a debate to be had about carbon leakage, and there is to be a rigorous examination of its impact. No action will be taken to exclude the non-power sectors of the economy from auctioning until that rigorous examination has been carried out. The proposals will then go back to the Council for further discussion within six months, so that we can be clear that carbon leakage is not being used as an excuse to escape responsibility for taking action on climate change. Our objectives of a 20 per cent. cut in emissions, of 100 per cent. power auctioning and of a €9 billion commitment

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to carbon capture and storage were all achieved at the summit, and, for all the difficulties that the right hon. Gentleman has raised about carbon leakage—a matter that has still to come back to be discussed in full later—there have been enormous advances that will put Europe in a position to take the lead in Copenhagen in securing a climate change agreement.

I know that the right hon. Gentleman does not favour the VAT cuts that have taken place, but I believe that they are already making a difference, and I hope that he will support the increase in public spending that is taking place as a result of decisions that we have made. Not only has £5 billion already been allocated to small businesses, with a great deal more to come, but a £10 billion increase in the capital budget from last year to next year will enable us to proceed with our plans for roads, transport, schools and hospitals in a way that will employ more people. I hope that the Liberal party will continue to support that action, which is necessary to inject more capital spending into the economy at a time when it is most needed.

The fact of the matter is that monetary policy has a transmission mechanism that is impaired, and we cannot rely totally on monetary policy. No other major country in the world is saying that monetary policy alone can do this work, apart from the people who represent the Conservative party at the moment. Fiscal policy is absolutely essential, especially at a time of low inflation and low interest rates: the case for using fiscal policy is even stronger then.

It is unfortunate that the Conservatives have not learned the basic lesson of the 1970s and 1980s that a recession is prolonged by a failure to invest and a failure to use capital spending. The Liberals and I are agreed on the need for capital investment. The Conservative party should go back to the drawing board and think again.

Mike Gapes (Ilford, South) (Lab/Co-op): The Prime Minister has rightly referred to his efforts to improve the climate between India and Pakistan and to secure greater co-operation against terrorism, but does he not agree that the Afghan Government also have a responsibility to improve co-operation with Pakistan so that there is a collective effort? He referred to burden sharing. What discussions has he had with his German partners in NATO about Germany's beginning at last to pull its weight in European and NATO security, especially in the context of the dangerous areas in Afghanistan?

The Prime Minister: I should point out to my hon. Friend that the German Government have taken responsibility for the training of police in Afghanistan. They have a number of people allocated from Germany to do that, and they are taking responsibility for the rest of the European Union to do that.

If we are to succeed in Afghanistan, we will have to increase not only the number of soldiers and armed forces trained—70,000 are being trained at the moment—but the quality and quantity of police on the ground to do the job. Those who visit Musa Qala, as I did, will see that the police force is working in providing law and order. In every other part of Afghanistan we must carry out the training that is absolutely essential, and the German Government have agreed to take the lead in that.

Mr. James Arbuthnot (North-East Hampshire) (Con): As I listened to the Prime Minister reading out the list of reasons why we needed to be in Afghanistan, I found myself agreeing with them, but not inspired or enthused by them. Is there anything that he can do to inspire the country so that it actually starts to believe, with some enthusiasm, the reasons why we need to be in Afghanistan?

The Prime Minister: I have said before and I say again—and I think that the country understands this—that Afghanistan is the front line against the Taliban as well as al-Qaeda. If we are to prevent terrorists from Pakistan and Afghanistan from entering our country, we need to be both in Afghanistan and working with the Pakistani authorities to deal with terrorism.

Afghanistan is now a democracy. Schools have been built and young people, including girls, are going to school and receiving an education. Health centres are also being built. Yes, the Taliban have changed their tactics and it is now guerrilla warfare that is being practised through roadside devices, suicide bombings and other means, but we are in a position to turn the Taliban back in many areas in Helmand, and where we have not yet done so, we are taking action to do so. I believe that if we are to protect ourselves at home, we must remember that the terrorism that affects us in Britain starts from Pakistan and Afghanistan.

Sir Stuart Bell (Middlesbrough) (Lab): I welcome the Prime Minister's statement that the European Council has endorsed the European Commission's recommendation that €200 billion should be put into the European economies, building on the €62 billion from France, the €32 billion from Germany and the €2.18 billion from Portugal, as well as a future $800 billion from the United States. Given the flawed monetary policy to which the Prime Minister has referred, is it not beyond peradventure that a monetary policy plus fiscal stimulus is the only way out of the difficulties, and that to talk consistently of a national loans scheme for small businesses when one already exists is simply a camouflage for having no policy at all?

The Prime Minister: My hon. Friend is absolutely right that what used to be called the one-club policy of using only interest rates—of using only monetary policy—will not work in the circumstances that we now face. The more the Conservative party ties itself to that, the more it ties itself to the failed policies of the past. The reason why fiscal policy is important is that we are in a period of low inflation with low interest rates—low inflation next year, following the low interest rates we currently have. That is why fiscal policy can have the greatest effect. If the Conservative party is going to say that this is the right time to stop building schools, to stop building hospitals, to cut back on transport and to cut back on the roads, and to say that it will severely cut public spending from 2010 onwards, it will have to explain why it is making nurses, doctors, teachers and others unemployed. That is the policy of the Conservative party.

Sir Peter Tapsell (Louth and Horncastle) (Con): May I remind the Prime Minister that several years and four Defence Secretaries ago—the first of whom, the right hon. Member for Ashfield (Mr. Hoon), is now sitting next to him—when we sent our first small contingent to Afghanistan, I warned that, as the Russians had found

in the 1980s, 300,000 men would not be sufficient to achieve military victory in that country, and that the Pashtun Taliban are a religious-tribal sect with no international ambitions who have always disliked the al-Qaeda Arabs and will be thankful to be rid of them if they can be rid of all foreign troops at the same time? Now that the Prime Minister has at last recognised that the threat of international terrorism comes primarily from Pakistan, why can we not have a settlement with the Afghans on that basis?

The Prime Minister: The hon. Gentleman cannot deny the evidence of the Taliban working with al-Qaeda. He cannot deny the evidence that people are coming across the borders from Pakistan to support the Taliban in action against British troops, as we saw in the suicide bombing carried out by a young child in Afghanistan last week. He cannot deny the interrelationship between what is happening in Pakistan and Afghanistan. We have got to take action to protect our troops in Afghanistan, but also to protect the democracy of Afghanistan, and we have got to take action to persuade a democratically elected Government in Pakistan and their army to take action against terrorism within their borders.

Keith Vaz (Leicester, East) (Lab): May I warmly welcome the Prime Minister's visit to India so soon after the events in Mumbai? That underlines the fact that we have a very special relationship with India; the Prime Minister was, of course, the first Head of Government to visit India after the Mumbai tragedies. When he told the President of Pakistan that 75 per cent. of the plots being investigated were rooted in Pakistan, what was the President's reaction? Will my right hon. Friend confirm that the Government will provide any additional resources that are necessary for our high commission in Islamabad, in order to deal with this very serious problem?

The Prime Minister: I am grateful to my right hon. Friend for his comments. I passed on the condolences of the entire British people for the loss of 175 lives as a result of the terrorist activities of only 12 people in Mumbai a few days ago. I offered the Indian Government any help with the investigations that we can give, and we talked about how we could increase our counter-terrorism activities together so that India and Britain can work more closely to identify terrorism and the sources of it.

My right hon. Friend is also absolutely right that a heavy responsibility falls upon Pakistan. It has already been identified that the terrorists who struck in India came from Pakistan. It is also true that many people from Pakistan have gone into Afghanistan and attacked British troops there. My right hon. Friend is absolutely right that the evidence suggests that three quarters of the terrorist plots we have had to investigate in Britain have links in one way or another with Pakistan. That is why I said to the President of Pakistan, and the Prime Minister, that we will be prepared to give them help to counter terrorism—help in their capabilities, in advice, in strengthening their laws, and in building up action against extremism, particularly in the education of their children, so that they can expose the perversion of Islam that is taking place. However, that requires the Pakistan Government to take responsibility by taking the necessary action, particularly in the tribal areas. The President of Pakistan assured me that he was determined to take action, and we said that we would monitor what is done over the next few days.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I fully associate myself with the words of condolence expressed by the Prime Minister earlier in his statement. On Afghanistan, he has announced the multi-agency taskforce, which as part of its remit will have some work to do rooting out fraud. Is it not therefore logical that it should also oversee the rebuilding of infrastructure?

The Prime Minister: There are other means by which the rebuilding of infrastructure is taking place in Afghanistan. The importance of clearing the roads of bombs and making the roads safe was mentioned earlier. The dam project is moving ahead as a result of international action and a lot of reconstruction is taking place in Afghanistan itself, so I do not think that a multi-agency taskforce should be the organisation that deals with corruption. The relationships at the centre of Afghanistan are trying to move forward the reconstruction, and of course, we are taking action in Helmand itself to build new facilities.

Mr. David Drew (Stroud) (Lab/Co-op): My right hon. Friend is absolutely right to ignore the siren voices who are opposing reflationary measures at this time. In talking about the Germans—or some of them—may I say how disappointed some of us are to hear that they were against a number of the measures relating to further developments on climate change? That is a marked departure from their previous record. Would my right hon. Friend like to say to them that we would like them to be where they were previously, on both economic policy and environmental policy?

The Prime Minister: I can say that Chancellor Merkel supported all the main principles of the climate change package. The issue has been how we deal with carbon leakage, and a lot more work has got to be done on that, but 100 per cent. auctioning is to take place in the power sector, and there is an agreed 20 per cent. cut in carbon emissions. To be able to do that as a European Union, and also to invest in carbon capture and storage—€9 billion is to be invested in that—is substantial progress. Everybody who looks at the history of action on the environment knows that we have to build a consensus. If we can build one in Europe and persuade America that it is right that it takes action, it is possible that we will achieve for the first time an environmental agreement that all countries are prepared to sign.

I agree with my hon. Friend on the economy that it is important that all countries support the fiscal stimulus, but he must recognise that the German Government have made a fiscal stimulus and are planning another. The only party of any significance that I can see that is against a fiscal stimulus is the Conservative party, because it made a terrible decision last week that it would cut public spending.

Mr. Michael Ancram (Devizes) (Con): As it now appears from the Irish example that holding a referendum on the Lisbon treaty and voting no leads the European Union to make substantial concessions, why does the Prime Minister not, even now, take the same route and hold the referendum that he promised us before the last election?

The Prime Minister: We have had this argument in the House on many occasions, and every time that it is put to the vote, this side of the House wins and that side loses.

Tony Lloyd (Manchester, Central) (Lab): My right hon. Friend will know very well that after many years of military rule, Inter-Services Intelligence, Pakistan's security service, is far from trusted as being under proper civilian control. Did he have a chance to discuss with President Zardari whether it is possible for Britain to lend assistance that will ensure that the democratic Government of Pakistan can bring the internal security service under that proper democratic control?

The Prime Minister: We did talk about how we can support the Pakistani authorities in many different ways, including helping them to rewrite laws to deal with terrorism, as we have had to do ourselves. I did offer support in a number of different ways to President Zardari. I also repeated to Mr. Kayani, who is the head of the armed forces, our offer of help to the Pakistani authorities, and we will continue to work with them to do everything that we can to support the Pakistani effort against terrorism in their own country. It is important to recognise that many Pakistan citizens have also been the victims of suicide bombings and that there have been many terrorist incidents within Pakistan itself. We want to give support to the Pakistan Government, but at the same time we are urging them to take more action, particularly against the organisation TEL, which has been held responsible for the Bombay bombings.

Mr. Nicholas Soames (Mid-Sussex) (Con): I understand that the Prime Minister is leading a wider review on Afghanistan within Whitehall. If he decides to deploy more troops to Afghanistan, will he consider tasking them principally with the training of more men of the Afghan army and police, that being by far the most effective way of enabling the Afghans to take some control of their own affairs?

The Prime Minister: I agree with the hon. Gentleman, because it is important that the number of Afghan troops in Afghanistan is increased. Some 70,000 are being trained at the moment and more is being done every month—about 1,500 are being trained every month—but the figure will have to be a lot higher than that for a country the size and scale of Afghanistan. A new target of 120,000 has already been set. I do not think that that is big enough for the size of the country. I saw British troops training Afghan soldiers and working with them, and the Afghan soldiers are courageous and strong, but there needs to be more of them—the hon. Gentleman is absolutely right. That is something that we continue to push on President Karzai.

Paul Flynn (Newport, West) (Lab): The previous increase in British troops in Afghanistan two years ago resulted in an increase in the deaths of our brave soldiers, from a total of seven to a total of 132. Is there not a grave danger that an increase in the number of troops means more targets for the Taliban? Is not the best way of consolidating the gains made in Afghanistan to embark on a new policy, based not on a military victory but on tackling the causes of terrorism with a peace strategy?

The Prime Minister: I should point out to my hon. Friend that our strategy is based on complementing the military intervention that is necessary to keep peace in Afghanistan and maintain democracy with other measures that will build up the confidence of the Afghan people so that they are enabled to govern themselves. That includes, as I have just said, training the Afghan forces and police, as well as building up local government, working with the tribes to create a means by which localities are properly governed and cleaning out corruption from the centre—on which I have pressed President Karzai, and why our multi-agency taskforce is going in. It also includes giving Afghan people a stake in their future—by helping them to become wheat farmers, for example, rather than farmers of drugs and narcotics—whether they are in villages, towns or in the countryside. That is our strategy for Afghanistan. It is necessary that we have the number of troops to deal with the Taliban, but it is also necessary that we train the Afghan army and police and that we invest in building the facilities that are necessary so that people have a stake in Afghanistan's future.

Mr. Paul Keetch (Hereford) (LD): The Prime Minister says that there are more helicopters on the way, but may I ask him the same question that I asked him on 21 November 2007? When will the dedicated Chinook helicopters that were ordered by John Major for our special forces and delivered to Tony Blair in 2001 be fully available to be deployed by UK special forces in Afghanistan?

The Prime Minister: I agree that we have set aside a huge amount of money for additional helicopters. The timetable for their introduction depends on re-equipping many of them and, at the same time, training the forces to do so. I shall write to the hon. Gentleman specifically about the Chinook helicopters, but I can tell him that the money and the resources have been provided for the additional helicopters.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): At this weekend's international conference on Afghanistan in France, the Iranian Foreign Minister did not turn up, even though he was expected. Given what the Prime Minister has said about Afghanistan and the need to work with neighbouring countries, did he discuss either at the EU Council or on his visit to Afghanistan and Pakistan how to bring the Iranians into discussions about the future?

The Prime Minister: It is very difficult to say, when we are debating with the Iranians at the moment, whether they will accept that they will be under the non-proliferation treaty that they have signed up to. We have presented Iran with a choice: it can either be part of the international community and get all the advantages of being such a part, including being free of sanctions, or it can allow itself to become isolated by defying the international community on nuclear weapons. That is the choice that Iran has to make, and it affects all the other areas in which we operate.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): When the Prime Minister calls upon the Pakistani Government to do more to destroy the Taliban in the frontier areas, is he aware that the Pakistani army and intelligence agencies have always been influenced by the fact that successive Afghan Governments, over 60 years, have refused to recognise the legitimacy of the international frontier between Afghanistan and Pakistan, and that they believe that that thereby gives them reason to suspect that Afghanistan harbours aspirations to

incorporate those provinces into its own country? Will he therefore seek to persuade President Karzai to reconsider this policy and, in the interests of Afghanistan itself and stability in the region, to recognise the legitimate frontier as that which currently exists between the two countries?

The Prime Minister: I understand the difficulties and the challenges that the right hon. and learned Gentleman raises, which result from history, but when I talked to President Zardari he informed me that he had made big changes. There has been a change at the head of the ISI and there are further changes in the departmental heads. It remains to be seen what happens as a result of that, but President Zardari was determined to tell me that the army is dedicated to the pursuit of terrorism. We will hold him to those words.

Jeremy Corbyn (Islington, North) (Lab): The Prime Minister will be aware that it is now more than seven years since coalition forces were sent to Afghanistan, and he tells us today that there will be a small increase in British forces there until next August. If the situation is unchanged by then, will we have another increase? Is it not time for a complete rethink on the policy towards Afghanistan and are we not just heading down the route of the same failed philosophy that the Americans pursued in Vietnam—endlessly putting troops into a failing situation?

The Prime Minister: I have to point out to my hon. Friend that 41 countries are involved in this coalition, not just one or two. There are 41 countries determined not only to bring peace and reconciliation to Afghanistan, but to help to build a stronger democracy there. I have also to tell him that we will discuss at the NATO meeting on 3 and 4 April the burden sharing that is necessary for the future. I am determined, too, that other countries play their part in Afghanistan. This is the fundamental question, which brought us to Afghanistan in the first place: there is the front line against the Taliban. We have removed the Taliban from power in Afghanistan. I think that it is our duty to help to uphold the new democracy in that country.

Mr. William Cash (Stone) (Con): How does the Prime Minister justify his endorsement of the deceitful bullying of the Irish people in these conclusions with his claim to be a democrat?

The Prime Minister: The Irish brought to the EU concerns that they had expressed about the interpretation of the treaty and the treaty. We agreed that there would be an extra Commissioner, but that is within the power of the Lisbon treaty. We also agreed to reiterate what is important to us in Britain as well: the Lisbon treaty in no way affects the right of members on taxation decisions and in no way affects our defence policy. As we have a protocol on the charter of fundamental rights, it was right that the Irish be given assurances on that as well. That is what has happened. I would have thought that people in the House would support it.

Dr. Roberta Blackman-Woods (City of Durham) (Lab): I am sure that my right hon. Friend agrees that it is necessary to see through the process of reconstruction in Afghanistan until a stable, strong and fully democratic state emerges. Will he say more about the efforts he is making to get other countries to play a greater role in burden sharing so that that state can emerge sooner rather than later?

The Prime Minister: As my hon. Friend will know, France and other countries have upped their contribution of forces during the past year. I think that we have 52,000 troops in total from a large number of countries in Afghanistan at the moment, but I have made it clear that we need further burden sharing. Whether it is by providing more forces or more help with training forces or the police, or whether it is by providing equipment such as the helicopter fund that has been formed so that people can contribute as we and others will to other countries bringing helicopters to Iraq, we are determined to continue the process. If 41 countries are part of the project, they must make a contribution to it. The burden sharing that I have talked about will be discussed at NATO on 3 and 4 April.

Mr. David Heathcoat-Amory (Wells) (Con): As the Irish people are to be made to vote again on the Lisbon treaty on the ground that they made a mistake last time, will the Prime Minister call an early general election on the ground that the British people made a mistake last time?

The Prime Minister: No, and I would have thought that when the right hon. Gentleman looked at the Irish statement as a result of the European Council, he would support most of it, not oppose it.

Richard Burden (Birmingham, Northfield) (Lab): In relation to matters discussed at the European Council, does the Prime Minister agree that one of the things that will be vital to long-term economic recovery is ensuring that strategically important industries can weather the current storm and prosper into the future? In that context, will he say a little more about efforts being made at a European level in relation to the automotive industry, whose health is vital to many EU member states?

The Prime Minister: Decisions on the automotive industry will be made by individual countries, which will look at the situation and make their own judgments about what is likely to happen. My hon. Friend's question prompts a more fundamental question about whether one is prepared to help families and businesses in times of great difficulty. We are prepared to do so; the Opposition would not.

Mr. Crispin Blunt (Reigate) (Con): The evidence is that the position of the international community, including the Karzai Government, in Afghanistan is becoming more difficult day by day. It is also evident that public support in the UK for our troops in Afghanistan is declining rather than increasing. The Prime Minister is conducting this important and much-needed review of policy towards Afghanistan. Can the House of Commons have the opportunity to contribute to the review through at least a day, but preferably two days, of debate before it is completed?

The Prime Minister: We have regular debates in the House of Commons, such as the debate on defence that took place very recently. Of course a debate on Afghanistan

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can take place, if the Opposition choose to propose that subject. At the same time, we will keep the House fully informed of any decisions that we propose to make on Afghanistan.

Points of Order

4.31 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): On a point of order, Mr. Speaker. Has any Minister indicated to you whether a statement will be made on the alleged Madoff fraud? Surely, as $50 billion is a huge amount of money, a ministerial statement to reassure the UK markets would be appropriate.

Mr. Speaker: I am sure that the Ministers concerned will have heard the hon. Gentleman's concerns.

Mr. Lindsay Hoyle (Chorley) (Lab): On a point of order, Mr. Speaker. Has anybody asked you for a statement on the failure of the Greater Manchester congestion charge, which affects not only the north-west but many other areas that want to bring in such a scheme? Has anyone brought that subject to your attention, and may we have a statement?

Mr. Speaker: No one has brought that matter to my attention apart from the hon. Gentleman through his point of order.

Debate on the Address

[6TH DAY]

Debate resumed (Order, 11 December).

Question again proposed,

That an humble Address be presented to Her Majesty as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

Economy, Pensions and Welfare

Mr. Speaker: I wish to inform the House that I have selected for debate the amendment in the name of the Leader of the Opposition. Standing Order No. 33 provides that on the last day of debate on the motion for an address to Her Majesty the House may also vote on a second amendment, selected by the Speaker. I have selected the amendment in the name of the leader of the Liberal Democrats. The vote on the amendment will take place at the end of the debate after the amendment in the name of the Leader of the Opposition has been disposed of.

4.32 pm

Mr. George Osborne (Tatton) (Con): I beg to move an amendment, at the end of the Question to add:

"but humbly regret that the Gracious Speech fails to deliver a clear direction for British economic policy, does not contain measures to assist in building a low debt and low tax economy, and lacks any radical action to unblock the credit channels of our banking system; note that many individuals have seen returns on their savings severely reduced as a result of the economic downturn and regret that the Government has no plans for emergency protection of pensioners with a suspension of annuity rules; further regret the absence of a clear strategy on value added tax; and further regret the absence of measures to avoid the United Kingdom undergoing the worst recession in the G7 next year.".

Thanks to your decision, Mr. Speaker, to grant our request for an emergency debate, it has been three weeks since we last examined the Government's handling of the recession that is now engulfing our country. We were then told by the Chancellor from the Dispatch Box that the measures in the pre-Budget report would hasten the end of the recession by bolstering confidence at home and the credibility of British Government policy abroad.

What has been the judgment in the last week alone on the Chancellor's claim? The pound has fallen against the euro, hitting a record low earlier today and demonstrating again the Prime Minister's maxim that a weak currency is a reflection of a weak economy and a weak Government. The loss of international credibility has sent the cost of insuring British Government debt higher than insuring the debt of those two homes of French fries, Belgium and McDonalds. An independent survey out today says that the drop in the VAT rate seems to have made little difference in lifting consumer confidence and encouraging consumers to spend. The head of Barclays bank says that despite the measures announced by the Government over the past few weeks, such as those on stamp duty, house prices will fall by at least as much next year as they have this year.

This lunchtime, the Minister for the Olympics has contradicted every statement made by the Prime Minister and the Chancellor over the past six months by admitting, in her words, that Britain is facing a recession

"deeper than any that we have known".

So, what about all that talk about the 1980s and 1990s now? The Finance Minister of the world's third largest economy has described the Government's approach as "crass" and "breathtaking" and as raising debt to a level that will take "a whole generation" to pay off. That is the problem with saving the world—sometimes the world answers back.

The Chancellor and the Prime Minister tried to dismiss the German Finance Minister's comments—indeed, the Prime Minister again did so just a few minutes ago—as their being all to do with the internal politics of Germany. Mr. Steinbrück is a Social Democrat, and the Christian Democrats issued the statement:

"Peer Steinbrück's comments have nothing whatsoever to do with internal German politics, as Prime Minister Brown has suggested."

Indeed, one could feel the sense of schadenfreude after all those brusque encounters with our Prime Minister at ECOFIN meetings, when the spokesman continued:

"After years of lecturing us on how we need to share in the gains of uncontrolled financial markets, the Labour politicians can't now expect us to share in its losses. The tremendous amount of debt being offered by Britain shows a complete failure of Labour policy."

That is not a Conservative politician—it is not even a Liberal Democrat—but the spokesman of another Government.

Of course, this debate should be about more than the mistakes that the Government made with their pre-Budget report, serious though they are; it is about the legislative programme for the coming year, so my hon. Friend the Member for Epsom and Ewell (Chris Grayling) will speak about the welfare reform and child poverty Bills. Let me make it clear to the Chancellor that our offer of co-operation to ensure that the Banking Bill, carried over from the previous Session, passes through Parliament by next February still holds, but we expect the powers we give the regulators to be enforced in the courts if necessary, as my right hon. Friend the Leader of the Opposition made clear today.

I wish that today's debate was an opportunity to examine the Government's response to the Equitable Life scandal and the damning report from the parliamentary ombudsman. After all, only a couple of weeks ago the Prime Minister made an absolutely unambiguous promise at the Dispatch Box:

"There will be a statement before the House rises at Christmas. I can say to the hon. Gentleman that that will be done."

When Members on the Opposition Benches shouted out in disbelief, the Prime Minister said:

"There will be a statement before the House rises this Christmas."—[*Official Report*, 3 December 2008; Vol. 485, c. 38.]

Indeed, that was followed up by a letter from the Economic Secretary to my hon. Friends the Members for Fareham (Mr. Hoban) and for Macclesfield (Sir Nicholas Winterton), saying that the Government would give their considered response to the ombudsman's

[Mr. George Osborne]

report to the House shortly, and—in the Economic Secretary's own handwriting—"before the recess".

Those were the promises made to Parliament—to Members of the House—yet now it seems that the promises are to be broken. Having waited months for the Government reply—indeed, they have had a draft report for well over a year—desperate policyholders will have to wait even longer. As the Public Administration Committee put it in a report today:

"Justice further delayed will mean justice denied to even more people."

Equitable Life policyholders have suffered enough: raising hopes and then dashing them before Christmas is a shabby way to treat people. It is time the Government said sorry and accepted the ombudsman's report. I suspect that the Chancellor will not do so today, but I am sure that he will be forced to in due course.

Instead, we must focus our attention on the deepening recession into which the Government have led us, and what better place to start than by reminding the House what the Chancellor told us in the debate on the Queen's Speech a year ago? That debate was held many months after the August seizure of the credit markets. It took place long after the Chancellor had discovered from reading his *Financial Times* that a credit crunch was happening. It was after the Northern Rock run and after warnings had come thick and fast about the downturn that lay ahead; in other words, when the Chancellor rose to speak in this debate a year ago there was absolutely no excuse for his not facing up to the economic realities, preparing the country for a forthcoming recession and readying the House for the difficult decisions that lay ahead. However, instead he told us that Britain

"will grow the fastest of all the developed countries. Inflation is around target…The foundation for all those things is a strong and stable economy…That is why, as I have said time and again, we shall take no risks with stability."

Britain was to grow faster than any other country and inflation was to be on target—it just shows what a complete fantasy world the Treasury was living in.

To be fair to the Chancellor, he gave us the following warning, which turned out to be nothing short of prescient:

"What risks stability is getting into a position of making promises that cannot be afforded. That will result either in increased taxes elsewhere or, more likely, increased borrowing, which puts pressure on interest rates. That is the last thing we need, especially at this time of international uncertainty."—[*Official Report*, 14 November 2007; Vol. 467, c. 701.]

A year ago, he said that increased borrowing was the "last thing we need", but it is the very first thing he proposed in the face of the recession.

How did the Government move from the position a year ago, when the Chancellor boasted that he would take no risks with stability, and predicted that Britain's economy would grow the fastest of all developed economies, to today's position? Now, the prediction from almost every international body is that Britain's economy will contract the furthest of all developed countries in the world, and the Chancellor is taking enormous risks with stability—risks that mean increased taxes, increased borrowing, and pressure on long-term interest rates, as he warned us a year ago.

The Government's answer is that it is all America's fault. That has become a kind of mantra for the Government, like something in a panto; I know that the Chancellor has been spending time with panto characters. The Government blame sub-prime, Lehman Brothers, AIG and all that. Of course, all those things help to explain why all countries are facing tough economic circumstances; the Chancellor says that that is right. However, they do not explain why the slow-down is forecast to be worse in Britain than in any other major economy. They do not explain why the European Commission, the International Monetary Fund and the Organisation for Economic Co-operation and Development predict that Britain will have one of the steepest recessions and one of the sharpest rises in unemployment. For a decade, when the Prime Minister was Chancellor, he took personal credit for the fact that, as he modestly put it, Britain was doing better than anyone else. Now, he refuses to accept any personal responsibility for the fact that, as the world sees it, Britain is set to do worse than anyone else. That will not do.

Eleven years ago, the Prime Minister inherited a strong economy from the predecessor Government. Now, once again, Britain is on the path to being the sick man of Europe. Labour has done it again. The blame for that lies fairly and squarely with him. The truth about the Prime Minister's record is that during all his years at the Treasury, he became so convinced of his own propaganda about abolishing boom and bust that he mistook a finance and housing boom for stability, and never prepared Britain for the bust.

The Prime Minister talked of prudence endlessly from the Dispatch Box, but ran up a huge structural budget deficit. He pledged that he would be the iron Chancellor, but let spending rip. He went on and on about the long term while wrecking our pension system. He preached a kind of Presbyterian morality, yet presided over an age of excess and irresponsibility. He created a regulatory system that allowed the biggest financial crisis of our lifetime to develop entirely unnoticed. Indeed, last week he pleaded to a newspaper that he did not know what was actually happening behind the scenes.

When the credit markets froze last year, the Prime Minister froze, too. The Government were paralysed by indecision, because, as ever, he did not want to do anything that might lead him to admit that he could, in some way, be held to blame. The Budget came and went without anyone noticing, except the poor motorists, who were to be hit by higher taxes. Just days before his own party decapitated him, the drama of the collapse of Lehman Brothers and Washington Mutual threw the Prime Minister a lifeline and enabled him briefly to seize the international limelight with the recapitalisation plan that the Bank of England had drawn up.

Ever since then, the Prime Minister has been scrabbling around for other things to announce—on housing, on VAT, on almost anything—regardless of whether the measures would work, regardless of the absence of any detailed policy, regardless of the cost or the impact on national debt, regardless of the burden placed on future generations, and regardless of the damage done to Britain's international credibility or creditworthiness. The attitude is, "It doesn't matter whether it is the right or wrong thing to do, just so long as it can be spun as something rather than nothing." That is what the last

few weeks have been all about—the short-term political plans of the Prime Minister, not the long-term economic interests of this country.

That is why Britain is where it is today—badly prepared for the recession, and badly led now that the recession is upon us. It is not just that the Prime Minister failed to fix the roof when the sun was shining. *[Interruption.]* I will say it again: it is not just that the Prime Minister failed to fix the roof when the sun was shining—his plan for the recession is now failing. Britain has been in recession since July—almost half a year—and at some point the country will ask whether all the promise of action has actually delivered. There is no evidence that the bank recapitalisation has got credit flowing again to businesses; no evidence that the stamp duty holiday has persuaded a single person to buy a house; no evidence that the £12 billion temporary VAT cut has made the slightest difference to the confidence of a single consumer.

Mr. Frank Field (Birkenhead) (Lab): I am following the hon. Gentleman's argument carefully. He has noted the importance of getting credit out to businesses, so that they can open again after Christmas. One obvious way of doing so is to use the two nationalised banks, and perhaps the moneys that we are putting up, to cut VAT. On Wednesday, we have a chance to vote on the VAT reduction—will the hon. Gentleman seek ways to vote against it, so that Government Members who would like the money to be spent in other ways will similarly be able to vote?

Mr. Osborne: If I needed persuading before that intervention, I am totally persuaded now. We plan to vote against the VAT reduction, which has already come into effect. Because of the procedures of the House, the Government did not allow us to have a vote before it did so. Our argument, made over many weeks and against quite a lot of criticism, not just from Ministers but from various economic commentators and so on, was that we were standing in the way of a fiscal boost that would deliver a transformative effect on the British economy. There is an independent survey—the first, I suspect, of quite a few—out today that shows that there is absolutely no evidence that that measure has had any impact whatsoever on consumer confidence.

Mr. Field: May I push the hon. Gentleman further on that? Members on both sides of the House will be desperately worried about how the unemployment figures out on Wednesday or Thursday will begin to affect their constituencies, and what the level of unemployment will be after Christmas. The one thing that we could do to mitigate those redundancies would be to ensure that firms, which will prosper only if the banks deliver credit to them, received credit. The banks are clearly not going to do that, so we should use the moneys from VAT to go through the two nationalised banks so that firms can get credit and open again after Christmas.

Mr. Osborne: The right hon. Gentleman makes a compelling case, with which I agree, about the need to get credit flowing from the banks to businesses. That is essential if we are to keep small and medium-sized businesses in particular, but also larger businesses, afloat. That is the single most pressing problem facing the Government. I disagree with him about the method: I think that a different approach is needed, and I shall discuss it in detail—*[Interruption.]* The hon. Member for Bishop Auckland (Helen Goodman) giggles, but I think that the Chancellor is about to copy something akin to what the right hon. Gentleman or I have announced about a loan guarantee scheme, so perhaps she will have to swallow her giggles. However, I certainly agree that we need to do something about the problem. I would introduce a loan guarantee scheme similar to the inter-bank scheme that is now in place, with the Government underwriting lending, and I shall come on to discuss that in more detail.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Supporting businesses is an aim shared by Members in all parts of the House. The Government have borrowed £37 billion of taxpayers' money and given it to the banks, but they have set an interest rate to the banks of 12 per cent. They then expect the banks to lend to small businesses at a rate of about 3 per cent. The banks cannot be pulled both ways: that is why money is getting stuck, and it is why small and medium-sized businesses are not receiving the support that they need from the Government.

Mr. Osborne: My hon. Friend makes an excellent point. Again, I shall come on to discuss recapitalisation. I certainly think that the Chancellor needs to revisit the terms of recapitalisation, as the 12 per cent. charge is too high, if one considers the coupon bond charged in the United States, Germany, France and other countries. That is one reason why our banking system has the problems that it does.

Rob Marris (Wolverhampton, South-West) (Lab): Will the hon. Gentleman give way?

Mr. Osborne: I always enjoy giving way to the hon. Gentleman.

Rob Marris: I am grateful to the hon. Gentleman. He is always gracious to me. I understand that he and his party are concerned about fiscal stimulus. As their amendment states, they want

"a low debt and low tax economy".

To me and many of my constituents, that suggests that there would be considerable cuts in public expenditure. That is a coherent political position, but my constituents deserve to know what cuts the hon. Gentleman and his party propose to make to public expenditure.

Mr. Osborne: Let me say two things to the hon. Gentleman. First, according to the Institute for Fiscal Studies, if we use the same methodology as the Labour party used against us at the last election—as, indeed, the Chancellor used—the thing that Labour Members all cheered a couple of weeks ago amounted to a £37 billion cut in public expenditure, so no one will ever believe anything they say again about spending cuts. Secondly, when it comes to specific Departments—*[Interruption.]* Treasury Ministers say, "Answer the question." They probably do not know the answer to this question, so I have some sympathy with them.

As I understand it, the Chancellor has announced that he would take £5 billion in efficiency savings from Government Departments from 2010 onwards. There is absolutely no indication from the Government which Departments that will come from. They cannot tell us what the total spending will be on health, defence, schools or anything else, so it is a little unreasonable of the hon. Member for Wolverhampton, South-West

[Mr. George Osborne]

(Rob Marris) to ask me what my health spending would be as opposed to the Labour party's, when we do not even know what the Labour party's plans are because they came up with the £5 billion figure and have not filled in the details yet. Once again, further evidence that everything they say on spending is total nonsense.

Stewart Hosie (Dundee, East) (SNP): Before the shadow Chancellor moves on from VAT, may I point to him that it is £12.5 billion of real money in the real economy—about 1 per cent. of GDP? Would he have been more satisfied if the Government had been straight and said that business would keep that to see themselves through the recession, rather than pretending that it would be passed on to consumers?

Mr. Osborne: I know one business that kept some of the VAT for itself—the Labour party, whose own shop did not pass on all the VAT cuts. Some businesses made use of the potential secret fiscal stimulus.

Rob Marris *rose—*

Mr. Osborne: I shall make a little more progress and perhaps give way to the hon. Gentleman later.

I was speaking about the lack of evidence that the stamp duty holiday, the VAT cut and so on had made the slightest difference. There is plenty of evidence that the prospect of a trillion pound national debt and the tax bombshell to pay for it is undermining national confidence in the future, and that makes the recession worse today. We will begin to see proof of whether the Prime Minister's tax and borrow recession plan is working when we see the unemployment figures later this week, and particularly when we see the unemployment figures in January and February, by which time the Government will have been dealing with the recession for more than half a year.

The Prime Minister has staked his claim to office on the performance of the economy. Let him, then, be judged by it, just as we are prepared to be judged by the positive action that we now urge on the Chancellor—action that really would help reduce the length of the recession and instil the confidence that we need for a future recovery. That action begins, as my hon. Friend the Member for Bournemouth, East (Mr. Ellwood) said, by addressing the problems in our credit markets, for this is a credit crunch, and until we address the lack of credit, the Government are only scratching at the surface of the deep problems that we face.

The problem for the Government, and particularly for the Prime Minister, is that it requires an admission that he does not want to make. That admission is that the bank recapitalisation may have rescued the banks back in September and October, but it has not rescued the wider economy. There remains an acute shortage of credit. An over-leveraged economy is de-leveraging—*[Interruption.]* The Chief Secretary to the Treasury, who survived the fire that was taking place behind her on the Andrew Marr programme yesterday, is obviously very excited by the incident and is gabbling away. If she wants to make an intervention, she is more than welcome to do so—

The Chief Secretary to the Treasury (Yvette Cooper) *rose—*

Mr. Osborne:—and while she is up, I want to know what happened to the Equitable Life statement.

Yvette Cooper: Perhaps the hon. Gentleman will tell the House whether he supports the £60 for every pensioner, to be paid in the new year; that will be paid for through £900 million of borrowing.

Mr. Osborne: I notice that, again, there was not a word on Equitable Life; perhaps the Chancellor will deal with that issue. In a recession, of course we want to be getting money to the front line. I think that the money for things such as the pensioner bonus could have come from within Government.

Yvette Cooper: From where?

Mr. Osborne: By the Chief Secretary's own admission, there are billions of pounds of efficiency savings to be made. We have said that the £12 billion VAT cut was a waste of money. If, when he responds, the Chancellor of the Exchequer can provide any evidence that that cut is having a significant impact on consumer confidence, or changing the spending patterns of British people in the run-up to Christmas, I will be delighted to hear it. So far, we have seen absolutely none.

Rob Marris *rose—*

Mary Creagh (Wakefield) (Lab) *rose—*

Mr. Osborne: I give way to the hon. Lady.

Mary Creagh: What would the hon. Gentleman say to the right hon. and learned Member for Rushcliffe (Mr. Clarke), who spoke in support of the VAT cut on Sky News yesterday? He said that the best fiscal stimulus was a VAT cut, and that such a cut gives a little boost to consumer demand and stops us hitting the bottom too hard. Is this another split in the Tory party?

Mr. Osborne: With the greatest respect to the hon. Lady, I should say that I think that she is reading the planted Whips' note from three weeks ago. It has not been updated to take account of the fact that my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) has made it very clear that, given the scale of Government borrowing, this could not be afforded. He said that in the House and on many occasions. I apologise, but if that was a Whips' note issued yesterday, the Labour party needs a new set of Whips as well as a new set of notes.

Mr. Andrew Pelling (Croydon, Central) (Ind): On the hon. Gentleman's plans for recapitalisation and repairing the banks, why has the Conservative party set its mind and not made any positive comments about the use of what might be described as the "bad bank" solution—that is, taking bad debts off the banks' balance sheets so that they feel more confident about lending to each other? Has that been a consideration in policy making within the hon. Gentleman's party?

Mr. Osborne: We are looking at all the options. The idea of a bad bank is at least worth considering, although the problems that the troubled assets relief programme, or TARP, encountered in the United States make it clear that that route is not easy. However, as I am sure the hon. Gentleman is aware, because of his knowledge in this area, there is plenty of speculation that this may

not be the end of the story of bank recapitalisation when it comes to rescuing the banks. We may need some further form of recapitalisation. That might take the form of injections of share equity, as we have seen, or something else, such as a TARP scheme for the United Kingdom. It is not sensible to rule any of those options out, but if we look at the problems with the Paulson plan—or the Paulson-Geithner plan; we will see what Mr. Geithner does in office—we see that there may be other, better routes to pursue.

Another aspect of bank recapitalisation was raised by my hon. Friend the Member for Bournemouth, East. As I said, there remains an acute shortage of credit. An over-leveraged economy is de-leveraging at an alarming rate, and money is being withdrawn from our economy—withdrawn because those who used to fund loans from the wholesale markets cannot get that wholesale funding; withdrawn as US money market funds and other international investors pull back from the UK because they can see the truth about our economic prospects; and withdrawn as recapitalised banks use what resources they have to pay the Government's coupon or buy out the Government's stake as quickly as possible, instead of using the resources to lend out to business.

The fact is that the 12 per cent. rate that we are charging the banks is too high; it is more than twice the rate that the American Government are charging and half as high again as the rate that the Germans and French are demanding. Instead of summoning the bank chiefs to endless summits and briefing the press in advance about the ticking-off that they are going to get, the Chancellor would surely spend his time better looking at exactly what he is asking the banks to do. He wants them to pay the Government coupon, repay the preference shares, rebuild their balance sheets, lend more money in a deteriorating economy and pass on rate cuts to borrowers while protecting rates for savers—no wonder that last week the Council of Mortgage Lenders took what for it was the pretty extraordinary step of issuing a press statement:

> "Current policy objectives are conflicting and incoherent...The tug of war with lenders being pulled in every direction at once needs to end."

The Treasury and the Prime Minister need to go back and negotiate a different deal with the banks, cut preference share rates, and cut the costs of the inter-bank guarantees, as the Dutch have done. If that requires them to swallow some pride, they should swallow a bit more and introduce, alongside the recapitalisation deal, the Conservatives' national loan guarantee scheme, for which we have been calling for over a month.

Earlier, in his statement on the European Council, the Prime Minister said that the Chancellor is about to announce a lending scheme of some sort. We will wait to hear what he has to say about that. I hope that he follows our lead and the model that we have set out, which has been discussed with and approved by many business organisations and individual businesses. We need the Government to underwrite, for a fee, lending from the banks to businesses in the same way as they are underwriting lending from one bank to another. That is the only way to ensure that sound firms get their overdrafts extended and their loan facilities renewed. It will not be enough merely again to back up securitisation in the international markets.

I would argue that directly guaranteeing lending is the only way to restart the credit insurance that, for example, underpins the supply chain, the absence of which contributed to the sad demise of Woolworths. Everyone knows that that is required. The CBI, the Federation of Small Businesses and the British Chambers of Commerce all support a version of the Conservatives' national loan guarantee scheme, and it needs to be introduced now. The Chancellor of the Exchequer, who has a long and distinguished history of copying the ideas that we propose from this Dispatch Box, is more than welcome to copy this one. If he does, it is of course an admission that the Government are looking to the Conservative party for solutions to the Labour party's recession.

Mr. John Baron (Billericay) (Con): To substantiate what my hon. Friend is saying about our proposals for a loan guarantee scheme, is he aware of further evidence—if that is required—from a new survey by Essex chamber of commerce showing that a quarter of all businesses have found that their banking terms and conditions have deteriorated markedly in recent weeks courtesy of the banks' tightening of conditions? There is clear evidence that credit flows are not working and small businesses are suffering, and the Bank needs to stop talking, get on its bike and start acting to get some fresh proposals.

Mr. Osborne: I agree with my hon. Friend, and I would be delighted to read the survey from Essex chamber of commerce. He makes a good point. There are all sorts of ways in which credit is being withdrawn from businesses. In some cases it is simply refused, in others a very high interest rate is being charged, and in others a very high arrangement fee is being charged. This credit famine is manifesting itself in several different ways. There are other ways in which the Government can help businesses that are struggling to stay afloat and to keep people in work, which I entirely agree with the right hon. Member for Birkenhead (Mr. Field) is the key priority for the Government. They could allow businesses to defer their VAT and tax bills, cut national insurance costs for the smallest employers, or provide a chapter 11-style breathing space so that problems can be worked out before the liquidators are sent in.

Mr. Greg Hands (Hammersmith and Fulham) (Con): Will my hon. Friend give way?

Mr. Osborne: I will certainly give way to my hon. Friend, who has excellent connections with the German Christian Democrats.

Mr. Hands: I thank my hon. Friend for giving way, although this is not a question about Germany. One of the sectors that have been particularly badly affected by the credit crunch is that of housing associations building social housing, which are being offered terms by banks whereby they will get new loans only if they renegotiate the terms of their existing loans to give them higher interest rates. Does he agree that one of the worst effects of the inability to get banks lending falls on people in our society who desperately need new houses and proper Government financing to be delivered for those homes now?

Mr. Osborne: I absolutely agree with my hon. Friend that that is another example of how the credit problems in the economy are affecting all sorts of different sectors. One of the Prime Minister's great boasts was that he was going to build 3 million homes, but house building has virtually ground to a halt. That is due not only to the lack of a market for homes to be sold to the private sector but to the lack of credit for social landlords and the like. That is further evidence of why we need to address the credit problems.

Rob Marris: Will the hon. Gentleman give way?

Mr. Pelling: Will the hon. Gentleman give way?

Mr. Osborne: I have given way to both hon. Members, and as many Members wish to speak in this debate I shall make a little more progress.

The Government can do other things to help businesses, all of which would keep people in work over the coming months, which must be the priority. With a freeze on council tax, which I am delighted to say many Conservative-controlled councils are trying to bring about anyway, and which a Conservative Government would help them to bring about, we can bring rising household bills down and give greater confidence in the future.

That greater confidence has to be the priority. We have to rebuild confidence in Britain's ability to pay its way in the world. People need to know that we can bring public spending under control and get government to live within its means. Our independent office for budget responsibility will tell the country the truth about this country's liabilities, including the liabilities for the 10 years of dodgy PFI deals that they all signed up to.

Rob Marris: Will the hon. Gentleman give way?

Mr. Osborne: I will certainly give way on the point about PFI.

Rob Marris: On the point of control of Government expenditure, the hon. Gentleman is making a thoughtful speech—he is more thoughtful today than he is often, and I salute him for that—and I understand that in the medium term he cannot tell what will happen to the economy, as none of us can. However, perhaps he could tell us, without contrasting it with the spending of the Labour Government, what the position of his party is in the medium term on the percentage of gross domestic product that a Conservative Government would spend each year?

Mr. Osborne: Since we are in a recession of unknown length, and the hon. Gentleman cannot tell me what gross domestic product will be even in a year's time, let alone in three or four years' time, how can I be expected to offer a percentage of that as what a Conservative Government would spend? I do not believe in setting figures as a percentage of national income for public expenditure; I believe in public expenditure that is affordable for the Government given the prevailing economic circumstances and the demands of the public sector, and that is what I will do.

Mr. Pelling: It is generous of the hon. Gentleman to give way to me a second time. He has shown that he is determined to use realistic policies to bring the economy out of trouble, but one of the problems for the banks is that they are so shocked by the losses that they have incurred, they are unwilling to risk any further losses. Would his loan guarantee scheme provide protection for the banks' initial losses? It is only by following that route that the scheme will be successful.

Mr. Osborne: The way in which we envisage the scheme working is that the losses will be shared pari passu. It would greatly reduce the risks to which the banks are exposed, but to remove all risks for the banks could lead to some considerable distortion in the operation of such a scheme. It is right, by the way, to use the banks' ability to assess credit risk in businesses, and the network that they have.

Chris Huhne (Eastleigh) (LD) *rose—*

Mr. Osborne: Let me give way one more time to the hon. Gentleman. He is hovering because he sees a potential opportunity opening up in the next few months and I want to give him every possible platform.

Chris Huhne: I would like some clarification of the hon. Gentleman's fiscal policy. Is he still committed to the full use of the automatic stabilisers, and, if so, does he accept that the vast majority of the projected increase in Government debt will come about through the use of a fiscal policy that relies on the automatic stabilisers?

Mr. Osborne: As my right hon. Friend the Leader of the Opposition, I and many other Conservatives have said, we are committed to the use of the automatic stabilisers, as the Conservatives were when in government in the early 1990s. There are several components of national debt. There is the element of the automatic stabilisers, of course, but there are other elements, too. The Government took a large structural deficit out of the boom years, almost alone among the advanced economies, into a bust at about 3 or 4 per cent. of national income. That is an absolute scandal. They had the biggest boom of almost any economy because of the size of financial services and the property industry, but still managed to run a large deficit. That is part of the problem. There may be a new form of structural deficit caused by their over-reliance on tax receipts from the City and property—when those may return we do not know. There is the element of the automatic stabilisers, and then there is the additional discretionary element, such as the VAT reduction. We took a decision on that, and I think the Liberal Democrats will also vote against the VAT cut later in the week. Both parties agree that that is not the best use of Government money.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): Will the hon. Gentleman give way?

Mr. Osborne: With respect to the hon. Gentleman, I have given way a number of times, so I shall make a bit more progress.

As I was saying, our independent office for budget responsibility will tell the country the truth about things such as the components of national debt. There is an alternative to the generation of higher taxes that we

have had under Labour. This matter is not just about future recovery, but the current recession. The public are not fools. They can see the bills that they will pay for Labour's failure, and they fear Labour's increase in national insurance on the incomes of everyone earning more than £20,000, which is a tax on the incomes and jobs of middle Britain. The public fear the Labour Government's plans for a permanently higher VAT rate, which the Treasury so helpfully leaked to us. They fear Labour's lack of credit; they fear the rise in unemployment under Labour, and they can see what is coming down the track.

A survey from the Bank of England today showed that that lack of confidence in the future is holding many families back from spending today. Britain needs a Government who can inspire confidence in the future and in employing people without the fear of higher employment taxes. Britain needs a Government who will inspire the confidence needed to buy a house without fear of further measures that might damage the housing market, and who will enable people to plan for their family's future without the threat of having a generation weighed down by national debt. That confidence is not coming from this tired and failed Government, who have brought about the greatest failure in economic policy for a generation and given Britain the prospect of the worst recession in the industrial world. By their own admission today, this is the deepest recession we have ever known. The Government are failing to offer any confidence of recovery: they have had their chance and the British people should have the chance to get rid of them.

5.12 pm

The Chancellor of the Exchequer (Mr. Alistair Darling): Yet again, the shadow Chancellor was pretty thin on what he would do in the face of the global downturn with which we are faced, but I will return to that matter shortly.

I welcome the fact that the hon. Gentleman has again promised support from his party for the Banking Bill, which is essential as we continue to deal with the fallout from the credit crunch. I hope that the Conservatives now regret that they opposed the Bill to nationalise Northern Rock in February last year, without which it would not have been possible to deal with the problems at Bradford & Bingley during September, in the summer recess.

The proposals in the Queen's Speech for welfare reform will also be extremely important. At a time like this, when people are likely to lose their jobs, it is important to do everything that we possibly can to help such people get back into work. My right hon. Friend the Secretary of State for Work and Pensions will discuss that when he speaks to the House at the conclusion of this debate.

There are also measures to continue to build a fairer society, to help victims of crime, to tackle discrimination and to help with training and apprenticeships, and further NHS reforms, all of which have been debated during the past few days. I also welcome the shadow Chancellor's welcome for legislation to ensure that the Government meet the obligation to eradicate child poverty. Let me just say this: a commitment to eradicating child poverty is important, but so too is a commitment to producing the means to enable us to do that. I do not think that a future Conservative Government could provide such a commitment.

Next year, we will, of course, continue to work with other countries to tackle climate change, as the Prime Minister made clear earlier, and we welcome the agreement reached by the European Union leaders last week. The Climate Change Act 2008, which imposes a legally binding obligation on British Governments, is important and shows that we can set an example to other parts of the world. That is yet another example of how we work with other countries to deal with international problems. Of course, we continue to work with other countries to deal with the problems that have arisen as a result of the credit crunch, which affect every single developed country and other countries.

That is why it is important that we continue to work with other countries as we hold the presidency of the G20 next year. We have an opportunity not only to address some of the problems of the past that have helped to cause the problems we now face, but to ensure that we reduce the likelihood of such events happening again and, crucially, that Governments across the world act together now to reduce the impact of a recession and help our economies get through this downturn as quickly as possible.

Adam Afriyie (Windsor) (Con): The Chancellor is talking about international co-operation and the international context. The European Commission and the International Monetary Fund have both said that the UK recession will be deeper than that of any other developed country. Does he agree with that and if so, why?

Mr. Darling: We are going to be affected more substantially in relation to the loss of revenues that we are now experiencing because of the lack of profitability in the financial services sector. London is the major financial services sector of the world—something that was welcomed in all parts of the House. Of course we are likely to be more severely affected as a result of profitability being reduced, and I have made that point on many different occasions in the House. We are also affected by the downturn in the housing market, because of the reduced revenues from stamp duty.

Of course we are being affected, but the other point is that there is not a country in the world that is not being affected, whether it be America, in the eurozone, China, India or in south America. This truly is a global problem. The only person in the House who does not want to recognise that is the shadow Chancellor. The fact is that the problem started in America, as the Americans themselves admit.

Several hon. Members *rose—*

Mr. Darling: Opposition Members have to accept that even the Americans admit that the problem started in America.

Alistair Burt (North-East Bedfordshire) (Con): But we are trying to make a keen distinction. Was the Minister for the Olympics right today to recognise that the recession is deeper than any that we have previously known? Notwithstanding the fact that all countries face

[Alistair Burt]

a problem, why does she think that the recession here is going to be deeper than any that we have previously known, which therefore means that we were less prepared than anyone else?

Mr. Darling: What I know is that my right hon. Friend the Minister, like everyone on the Labour Benches, supports the measures to ensure not only that we tackle the causes of the recession, but that we help people and businesses through this difficult time. That is the difference between the two major political parties at the moment.

Mr. Brian Binley (Northampton, South) (Con): Will the Chancellor give way?

Mr. Darling: No.

We are prepared to take action to help people and businesses; the Conservative party has made it clear that it is not and that it would not be able to produce the means to help people through this time. That is the big difference between us.

Mr. George Osborne: I am grateful to the Chancellor for giving way. My hon. Friend the Member for North-East Bedfordshire (Alistair Burt) asked a very specific question. The Minister for the Olympics, who attends Cabinet, said today that Britain was

"facing a recession deeper than any that we have known".

Does the Chancellor agree with his colleague?

Mr. Darling: I have made it very clear that we, along with every other developed country the world over, face a huge challenge because of the current economic downturn, the like of which we have not seen in generations. I have been saying that for months. Indeed, the hon. Gentleman may remember that in the summer, when we were both pursuing our aquatic summer holidays in our own way, I encountered a degree of turbulence when I said what I said, but I meant it, because we faced—as we all know we still do—severe problems right across the world, because of what is happening in every corner of the world.

Mr. Philip Dunne (Ludlow) (Con) *rose—*

Mr. Andrew Tyrie (Chichester) (Con) *rose—*

Mr. Binley *rose—*

Mr. Darling: I shall make some progress and perhaps give way later.

It is pretty clear that the difference between the two sides in the House is that the Government are prepared to take action to help people, whereas the Conservative party is not. What we are also seeing is the massive contradictions in the Conservative party's approach. The Conservatives are not leading the debate; they are simply following it. Even today, I noticed that the Leader of the Opposition gave a speech in which he called for more regulation of the financial services industry. I agree that we need to strengthen the supervision and regulation of the financial services industry. However, I also came across what the shadow Chancellor said in April 2006:

"Regulation ... inhibits enterprise. For example, speak to any business in financial services—from the largest investment bank to smallest independent financial adviser—and the threat of future regulation from Whitehall and Brussels is now their number one concern."

Well, it is not their No. 1 concern today.

Most people recognise that the regulatory system needs to be strengthened. However, just at the time that the problems in the sub-prime market in the United States were starting to emerge, the shadow Chancellor told the Tory party conference, in October last year, that the report from the right hon. Member for Wokingham (Mr. Redwood), who had been commissioned to advise those on the Conservative Front Bench on these matters,

"sets out how we liberate our economy to compete with the likes of India and China ... cut Government regulation, planning restrictions and red tape".

What was in that report? Under the heading of "Mortgage regulation", it stated:

"We see no need to continue to regulate the provision of mortgage finance, as it is the lending institutions rather than the client taking the risk".

Well, do we not know that that is the case, when we look at what has happened?

Today, the Conservatives try to tell us that, during the past 10 years, it was they who were calling for tighter regulation all along, yet they were the party of self-regulation in the 1980s and the 1990s. We were the Government who introduced the Financial Services Authority, bringing together a disparate range of regulators, and we are also the party that will bring forward proposals to help to strengthen the system of supervision and regulation.

Mr. Pelling: That might be effective criticism of the Conservatives for the purpose of putting out leaflets, but surely the problem is that the huge powers of regulation that the Government gave to the FSA have proved entirely ineffective. Regulation did not work; it regulated the wrong things and ignored the huge leverage that was taking place in the financial markets. We should have had focused regulation to prevent this disaster from taking place.

Mr. Darling: As I said a few moments ago, there are obviously lessons to be learned from what has happened, not just here but in the United States, in Europe and right across the world. All of us need to learn lessons from what has happened. The other people who need to learn lessons are those sitting in the boardrooms of the banks, who should have asked themselves whether they really understood the risks to which they had allowed their institutions to become exposed.

Stewart Hosie: I am following the Chancellor's argument on regulation, but given that regulatory failure was beginning to be understood in the summer of 2007, why did he say in his pre-Budget report speech that, while he was going to look at regulation and supervision, he would not have proposals put before him until spring 2009? Why have this interminable delay in doing the right thing?

Mr. Darling: Legislation aimed at strengthening the supervision and regulation of the banks is already going through the House. I am sure that the hon. Gentleman is aware of it—or perhaps not—but it is

also clear that we will have to take further action. That is why I have said that we need to make further proposals to strengthen the system of supervision and regulation.

I thought that the hon Gentleman was perhaps going to raise a slightly different point. Sadly, there are two examples in Scotland of banks that should have realised the risks to which they were becoming exposed, and perhaps taken different decisions that would have produced a different result from the one that we now see. Fortunately, we have been able to intervene, but I have to say to him yet again that the Scottish economy would not have been able to support the degree of intervention that the UK Government were able to bring to bear in order to help the RBS and HBOS. It simply would not have been able to do it—*[Interruption.]* The hon. Gentleman can discuss this for ever and a day, but it will not alter the fact that the strength of the United Kingdom greatly benefits Scotland.

Stewart Hosie *rose—*

Mr. Darling: Yes, as I have insulted the hon. Gentleman, I will certainly give way to him.

Stewart Hosie: The strength of the United Kingdom is in the borrowing of £1 trillion in order to fund some of the proposals that the Chancellor is now talking about. That is not about the intrinsic strength of the United Kingdom. Does he agree that HBOS and the RBS were almost brought to their knees by the failure of this Government to take decisive action in the way that the Irish did when they guaranteed all deposits? The Irish have seen no runs on any of their banks, and no bank losses.

Mr. Darling: That is patent nonsense. I do not think that many people would agree with the hon. Gentleman.

As I was saying, since September we have clearly seen a deterioration of the situation in relation to the banking sector. That was, perhaps, typified when the United States bank Lehman Brothers finally collapsed. Indeed, since March every single Wall street investment bank has collapsed, merged or had to change its business mode, such is the scale of the problems that we face. More than $30 trillion has been wiped off the value of share prices across the world this year: that is twice the size of the United Kingdom economy.

Here, we recapitalised the banks in October. We also introduced a credit guarantee scheme to guarantee new lending between banks. Earlier this year, through the special liquidity scheme, we ensured that banks had sufficient liquidity. Up to £200 billion was guaranteed. Those steps were absolutely necessary to prevent the collapse of banks in this country. Since the schemes were introduced, no United Kingdom bank has failed, and not one saver in a British bank has lost out. The £50 billion of new capital, both public and private, will be taken up by the eight major banks and building societies, and the measures that we have introduced to maintain financial stability at home have been widely copied throughout the world. Those measures were essential to maintain the stability of the banking system, and they have helped to ensure that banks are beginning to extend lending. A great deal more needs to be done, but to assert that what we have done has made no difference whatsoever is quite simply wrong.

Mr. Tyrie: Surely the Chancellor can at least see that the bank recapitalisation package has failed to restore lending to anything like normal levels, and that the main reason—or a major reason—for that is the terms of the preference stock, at 12 per cent. Does he accept that it is now essential for the Government to present a revised set of proposals, even if that means eating humble pie, to get the banking sector working again? Without such proposals, we shall be stuck with very little lending.

Mr. Darling: As a country moves into a downturn, it is not surprising that that affects the level of lending, and also affects the view that banks might take—

Mr. Tyrie: You have told the banks to return to 2007 levels.

Mr. Darling: The hon. Gentleman refers to the 2007 levels of lending, which both the RBS group and the Lloyds-HBOS group must maintain. That is part of the agreement. We also want to ensure that other banks extend their lending. The RBS has promised not to increase overdraft prices for small and medium-sized enterprises. Lloyds has agreed to pass on its rate cuts to its SME borrowers. HSBC has announced substantial increases in borrowing for both home owners and small businesses. Today, Barclays has indicated that it will increase the amount of credit available to the small and medium-sized sector by £1.5 billion. What we are doing is having an effect, but clearly a lot more needs to be done.

I can tell those who said that the credit guarantee scheme would not work that we expect some £100 billion of guaranteed credit to have been issued by the banks and building societies by the end of this year. The take-up is as strong as we expected. Moreover, the rate at which banks lend to each other and which drives the rate at which they charge their customers—LIBOR—is down by more than 3 per cent., and the cost of insuring against bank failures, which is another measure of assessments made in relation to banks, is down by about 40 basis points for the RBS and HBOS. So what we are doing is having an effect.

The hon. Member for Chichester (Mr. Tyrie) referred to preference shares, and mentioned a figure of 12 per cent. The House will no doubt remember that when I made my statement in October and set out what we proposed to do in relation to bank recapitalisation, many Members—particularly Conservatives—fell over themselves to demand that we extract a sufficient price from the banks to ensure a fair return for taxpayers. They were right, but the hon. Gentleman is confusing what was charged in relation to the preference shares—which was to ensure that we did not just lend money to the RBS or HBOS which would then pass straight to the shareholders without benefiting the strength of the bank as a whole—with the cost of actual borrowing, which, as I have said, is driven largely by inter-bank lending.

Mr. Elwood: The Chancellor needs to explain why he set a coupon rate of 12 per cent. When we look at the American and German systems, we see that they have set an interest rate of just 5 per cent. Unless the Chancellor is willing to return here with another set of plans, I fear that it will not be long before he goes cap in hand to the International Monetary Fund, just as Denis Healey did a number of years ago.

Mr. Darling: The reason we imposed a charge was to ensure not only that the taxpayer got value for money, but that the money we put into the banks did not simply get passed straight through to the shareholders, which people would rightly have complained about. I made it clear last month that we would look at this scheme, and that we would do so before Christmas. The hon. Gentleman was slightly ahead of himself, because just over an hour ago we announced some changes to the credit guarantee scheme. We will lengthen the scheme from three to five years' maturity, lasting until April 2014. We will also widen the range of currencies in which banks can borrow the guarantee, and lower the fee used for the credit scheme while still keeping it on commercial terms.

All these measures will continue to help to ensure that we get bank lending going again. It is difficult because, as the shadow Chancellor said, and as I said to the Select Committee last week, there is potentially a tension between the need to get banks to recapitalise and build up their strength and the need to encourage them to lend to the wider economy. None of these things would have been possible, however, if the Government had not been prepared to take action, and to ensure both that we made money available to strengthen and recapitalise the banks and that the banks had the funds so that they are available to the wider economy. As I said, many other countries across the world are now doing exactly the same thing.

Mr. Dunne: On the Chancellor's recapitalisation plan, was he surprised that in the case of the Royal Bank of Scotland, for example, not a single external shareholder, as far as I am aware, chose to invest at that point, and therefore the Government have shouldered the entire burden of that recapitalisation? Was that his plan?

Mr. Darling: It is what we expected. It was obvious that in the conditions prevailing in October it would be highly unlikely that RBS would be able to raise money on the markets in the normal way. That is why we set up the scheme in the first place. Indeed, if we had thought it would be possible for all the banks to raise money on the markets in the normal way, we would not have had to introduce the scheme, so the answer to the hon. Gentleman's question is unequivocally yes, I was expecting it—and, indeed, I was absolutely right.

Mr. Stephen Dorrell (Charnwood) (Con): From what the Chancellor has said over the past two or three minutes, I am unclear about something: is he going to revisit the matter of the 12 per cent. coupon or not?

Mr. Darling: As I have said, I will keep all those things under review, because I want to ensure two things—that banks can lend because they have the funds and can lend into the wider economy, and that the taxpayer gets a return for what is a very substantial investment.

As I said, the central difference between the Conservatives and the Government today is, as it has been for some considerable time, whether we should take further action over and above monetary policy—reductions in interest rates—in order to support the economy. Countries across the world—the United States, France, Italy, Spain, Japan, Korea, Australia, New Zealand and China—have signed up to putting more money into their economies to support them. The shadow Chancellor had some fun when he mentioned Germany in his speech, but the fact is that Germany, too, has already put in place a fiscal stimulus of almost the same size as our own. That demonstrates that countries all over the world are doing what we are doing: supporting their economy, supporting businesses and supporting people, because that is absolutely essential.

People will ask themselves why the Conservative party seems so ready to repeat the mistakes it made in the 1980s and 1990s, when it did precious little to help an entire generation of people who were simply written off as the Conservatives sat back and let the recessions take their course.

Rob Marris: Does my right hon. Friend agree that it is a sad day for democracy when we have an official Opposition who are against fiscal stimulus and want a low-debt, low-tax economy, but who will not tell the electorate what they think UK Government spending should be in the medium term as a percentage of gross domestic product? Is this not a sleight of hand?

Mr. Darling: I was just going to come on to that point, because the shadow Chancellor made pretty heavy weather of trying to answer the question put by the hon. Member for Twickenham (Dr. Cable) about whether he supported the borrowing that arises as a result of the automatic stabilisers of the loss of revenues and the increased cost of benefit.

Of course, in October the Leader of the Opposition said:

"Borrowing goes up. That's inevitable and you have to allow that to happen."

If he believes that, he has to accept the consequences—that is if necessary to meet the cost of that borrowing.

Mr. Dorrell: Will the right hon. Gentleman give way?

Mr. Darling: No, I want to make some progress; the right hon. Gentleman has just intervened.

The Leader of the Opposition also said, in July, that what the Government ought to be doing is cutting taxes—that they should be giving a fiscal stimulus to the economy. If he still believes that those two things are right, how can he justify his position today, when we are doing precisely that? Indeed, in September, he also said:

"The lightweight thing to do would be to make unrealistic promises about slashing Labour's spending"

levels, and yet what happened just last week? The shadow Chancellor said that, whatever spending limits I announced, he was going to cut them further. Yet when he was asked on "Newsnight" on 9 December what he would do—he was asked on 19 separate occasions what cuts he would make, or what he would reduce—he could not, or would not, say. On 13 different occasions he was asked the same question, and he could not answer. Rather like the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), who had that difficulty during the last general election, the shadow Chancellor could not say, or, more likely, would not say. Well, he may not be able to say today, but he will at some point before the next general election have to spell that out. If he really believes that he wants to cut public spending, especially at a time when the economy will still be suffering from

some of the effects of the downturn, surely at some stage he is going to have to say where exactly he is going to get that money from.

Mr. Binley: Has the Chancellor just given a hint of the date of the next election, or is he saying that his projection that the recession will come to an end by the third quarter of next year is wrong? Which is it? Will we have an election before that, or is the projection wrong?

Mr. Darling: What I am saying is that taking money out of the economy this year or next year is the wrong thing to do because it would be extremely damaging to people in this country, and that seems to be what the shadow Chancellor is signed up to.

Mr. Jim Cunningham (Coventry, South) (Lab): What I found very interesting during the shadow Chancellor's speech was the lack of an alternative. More importantly, he talked about decent housing, looking after families and so forth, but equally, he never said how he was going to do that. What we have had today is an absence of an alternative policy from the Opposition.

Mr. Darling: Indeed, and that is precisely the problem that the shadow Chancellor has. It was not that long ago, although it seems like light years away, that he was talking at this year's Tory party conference and promising more beds in the NHS, yet there was a funding shortfall of about £8 billion. He was calling for new school places; there was a funding shortfall there. He is still talking about cuts in inheritance tax, at a time when many people would think that there are other priorities that a Government might have, and there is a shortfall there of about £2 billion. He had a whole list of promises that he was making. Even on the loan scheme that he was outlining this afternoon, he does not have the money to pay for it, because he says that there would be no more money under his proposals. Yet somehow he offers the prospect of additional funding for companies and firms in this country.

On looking at all the proposals made by the Leader of the Opposition at the start of this debate on the Loyal Address, we see that he is in no position to implement any of them, because he has made it clear that under the Conservatives, there would be no more support for the British people or for British companies. He is not in a position to make these promises, because he simply does not have the funds to pay for them.

Mr. Brooks Newmark (Braintree) (Con): Can the Chancellor confirm that Labour will be doubling our national debt in just five years to more than £1 trillion, which is more than 80 per cent. of gross domestic product?

Mr. Darling: It is the case that debt and borrowing will rise. The shadow Chancellor was complaining about what we have done over the past 10 years. We reduced substantially the amount of debt that we inherited from the last Conservative Government, which meant that we are able to spend on front-line services. At the same time, we spent more on public services—on schools, hospitals, police, transport and housing. All those things needed more money after many years of underinvestment. We did increase public spending, but at the same time we reduced debt. Let us consider the position today. Despite all the things that we have had to do to support the economy, our debt will still be less than that of the United States, Japan and Italy. No one wants to be in a position where they have to borrow any more than they need to, and we want to keep debt at as low a level as possible, but to take money out of the economy now at a time like this, if that is what the hon. Member for Braintree (Mr. Newmark)—

Mr. Newmark *rose—*

Mr. Darling: No, sit down. To argue that money should be taken out of the economy now would be completely ridiculous and irresponsible.

Mr. Newmark *rose—*

Mr. Darling: As I used a slightly stronger tone than I am accustomed to using, I shall certainly give way to the hon. Gentleman again.

Mr. Newmark: I am simply asking the Chancellor to confirm that over five years he will be doubling debt to a sum figure of £1 trillion. Is the answer yes or no?

Mr. Darling: The debt is increasing, as I have said to the hon. Gentleman, just as debt doubled in the 1990s during the recession then. The difference is that because we were able to reduce debt substantially over the past 10 years, when we met the fiscal rules that we set, we have now been able to increase borrowing because it is the right thing to do to support people.

Mr. Michael Howard (Folkestone and Hythe) (Con) *rose—*

Mr. Darling: The right hon. and learned Gentleman was not here—*[Interruption.]* I think I am right in saying that he was not here when I referred to him, but as he is here now, I shall certainly give way to him.

Mr. Howard: I am most grateful to the Chancellor. I have come into the Chamber because he has just said that at the last election I was unable to identify the savings in Government expenditure that I was proposing. His memory is playing him entirely false. Does he not now accept that when I proposed £35 billion of savings in Government spending it was all set out in detail in the James report, in which he and his colleagues were entirely unable to pick a hole during the whole of that campaign—a figure that is almost identical to the savings now proposed by the Government?

Mr. Darling: I think that the electorate came to the view that we were able to pick rather a large hole in it. The right hon. and learned Gentleman was not here at the time, but I was referring to the fact that in the same way as the shadow Chancellor had an uncomfortable time on "Newsnight", I seem to remember that the right hon. and learned Gentleman had a very uncomfortable time, being unable to answer questions for some considerable time.

John McFall (West Dunbartonshire) (Lab/Co-op) *rose—*

Mr. Darling: I shall give way to my right hon. Friend and then I shall make some progress.

John McFall: I wonder whether the Chancellor can help me. By accepting the automatic stabilisers, the official Opposition have accepted that public debt will increase. Given that the Government's GDP fiscal deficit next year is to be 8 per cent., can the Chancellor confirm that 7 per cent. of that will result from the automatic stabilisers and that 1 per cent. will result from the fiscal stimulus, and so what the official Opposition are debating is the amount of money given to people to help them through this recession?

Mr. Darling: As I said to the House, the shadow Chancellor, having said that he accepts the need to allow the automatic stabilisers to rise, must accept the consequences of that. I think that we need to do more than that; we also need to put an additional fiscal stimulus of 1 per cent. into the economy. Of course a lot of our public spending is in the form of maintaining capital spending investment—it is at its highest level for about 30 years—which will make a big difference to our economy in the future, especially as we come through this.

Several hon. Members *rose—*

Mr. Darling: I am going to make some progress. As I was saying, it is important at such a time that we take action to help people. We have reduced income tax for 22 million basic rate taxpayers—that will be worth £145 each from April next year—and I brought forward the payments being made in relation to child benefit and made additional payments for pensions. It is all very well for the Conservatives to say, "Yes, we welcome them," but they have to answer the second question, "How do you pay for them?" There is no point in making promises if they are not willing to produce the means to pay for them.

In addition, we have brought forward capital spending, which will, among other things, help jobs in the construction industry. We have also introduced substantial measures to help businesses in relation to guarantees for loans for small firms, guarantees for small exporters, money from the European Investment Bank and measures to help businesses that are having difficulty with their taxes. Those are all measures that will make a substantial difference.

Chris Huhne: I am grateful to the Chancellor for giving way, particularly on the point about the likely debt that will result from the fiscal stimulus. Is not this the first time in a recession that the Treasury has assumed that we will lose 4 per cent. of output for ever and that a large part of the debt resulting from the projections arises because we will not regain the previous trend? Is that designed to keep No. 10 in check? If not, why is it that the Chancellor has failed to persuade the Paris-based OECD of the same phenomenon? Its estimates of the structural deficit are substantially lower than his own.

Mr. Darling: The estimates that I set before the House reflect the fact that, as I said earlier, we have a large financial services sector here. It built up quite rapidly over the last decade and it is quite substantially affected by what has happened. It is sensible to proceed on the basis that the revenues we get in will be reduced and it will take time before the economy comes back. Anyone setting out their prospectus for how we ought to proceed over the next few years has to take account of those realities, just as they have to take account of the fact that we have to pay for the additional spending that will come from increased benefits and other expenditure resulting from the economy slowing down.

Mr. Dorrell: Will the Chancellor give way?

Mr. Darling: Not just now. The hon. Member for Eastleigh (Chris Huhne) is right, but if we are to ensure that we come through this with less pain—helping people and businesses—it is important that, in addition to supporting the economy in the normal way, we do more. That is the difference between us. I believe that we need to take action to help people and to help businesses. People expect their Government to do that at times like this. Indeed, it is only the strength of Government that can enable us to do it.

Like every other country in the world, we face a difficult period. I am confident that we will get through it, and I am confident because we are taking the right action. We have low interest rates now, compared with the 15 or 17 per cent. interest rates that we saw in the 1990s and the 1980s—*[Interruption.]* Yes we did. Interest rates were sky high in the 1980s and 1990s, and this country paid a very high price for it.

Next year, we will also see inflation coming down. We will benefit from the reduction in oil prices, which will pass through to what people pay at the pump. We want to see the benefit of that in relation to gas and electricity prices as well. We will get through this because we are taking the right action. We are prepared to support people. We are prepared to support businesses in this country. That is the difference between us. That is why I commend the Gracious Speech to the House.

5.48 pm

Dr. Vincent Cable (Twickenham) (LD): I welcome the opportunity to return to some of the issues in an economic situation that is deteriorating rapidly, and is already significantly different from the environment that we discussed three weeks ago in relation to the pre-Budget report.

Before I move on to deal with the big economic issues, I want to say a little about one aspect of pensions. One thing the Government need like a hole in the head is another administrative disaster like the loss of computer discs, but I am afraid that they have one with public sector pensions. I was rung up 10 days ago by a journalist from Radio Ulster about a story that she had picked up regarding a company called Xafinity Paymaster, which pays out public sector pensions to former members of the armed services and the national health service, among others. She understood that this company had been paying out excessive public pensions, probably to hundreds of thousands of public sector pensioners, and that this error had just been discovered, and that the company was about to start retrieving the money from the pensioners.

I made inquiries of the Government, and last Thursday had the courtesy of a telephone call from the head of the civil service, who confirmed that this problem had

arisen. He asked me not to publicise it for several days in order to give the Government the opportunity to inform the pensioners personally of their difficulties—I think that I have now abided by that. He said that tomorrow, a written statement would be made that would explain the background to the problem.

As the House does not have the opportunity to respond to a written statement, I thought that it would be more useful to mention the subject this afternoon and to pose the obvious questions, to which I hope that the Minister who concludes the debate can reply. How many people are we talking about? How much money is involved? What steps will be taken to retrieve the overpayments? I understand that in some cases those overpayments go back decades, and are potentially enormous. I do not know the answer to those questions, and I hope that the Government will clarify them. I hope that none of us will face the possibility that large numbers of ex-servicemen will suddenly be faced with bailiffs turning up and asking them to repay overpayments, as we have already seen in the appalling instances involving tax credits. I simply ask for a proper explanation of what has happened.

Mr. Darling: I half expected the hon. Gentleman to intervene earlier. There will be a statement tomorrow, but I want to clarify one of the points that he made. He was asking about repayment of money that has been wrongly paid. I think it would be better if I made it clear that that will not happen. It will be necessary to adjust what is paid in the future, but the Government recognise that there have been such payments for a long time. I would not want people to think that we will start clawing back money that has been paid erroneously. Things need to be put right from next year, and there will be a statement tomorrow by the Cabinet Office.

Dr. Cable: I thank the Chancellor for that clarification. I am not sure about the reference to adjusting what will be paid in the future, because that could mean returning to the normal arrangements or it could mean a clawback. We will no doubt receive clarification on that.

I endorse the comments made by the hon. Member for Tatton (Mr. Osborne) about Equitable Life. I think that I have introduced at least three debates on the subject over the past 10 years, and we are finally grinding to a conclusion. It is inexplicable that yet another postponement has occurred. The hon. Gentleman did not mention the dreaded word "compensation". I would simply like to ask the Chancellor whether in the current environment compensation payments would be regarded as a fiscal stimulus; that might help the Government to face the issue that they will have to face.

Let me turn to the main issues surrounding the economy. The position is deteriorating very fast. Quite apart from the difficulties in our own economy, within the past few days the five leading German economic institutes have suggested that the German economy may decline by 5 per cent. next year. We are seeing similar figures from the United States. The fixed-interest market, if it is extrapolated forward, suggests that the markets are already expecting that the period of deflation will last for five years in the US and for three years in the UK. We are talking about something much more serious, much deeper and much longer than any Government forecasts have yet acknowledged. I do not say that with any relish, but simply because we need to face up to the implications of what is involved.

One commentator observed this morning that this is no longer a question of averting the modern equivalent of the 1929 crash. The crash has already happened. The question is whether we can avert 1930, 1931 and 1932. As a reminder, in that period the American economy declined by 30 per cent. and took a decade to recover. Britain's experience was not dissimilar.

We are talking about a magnitude of crisis way beyond what has been contemplated hitherto. We need to approach it in that spirit, and not with the tiresome party games that we have several times a week in which we decide whether the Prime Minister is 80 per cent. or 20 per cent. responsible for the problem and whether, after the crisis is over, he should be subjected to the economic equivalent of a Nuremburg trial. The responsibility is shared. There have been policy failures here and there is a big international crisis at the same time. We do not need to say anything else at this stage. We need to focus on solutions.

I want to address three issues that have come to the fore in the past few weeks that we need to think a little bit about. The first is the issue of exchange rates, which is relatively new. Secondly, we need to reflect a little on where we are with the fiscal stimulus arguments. We then need to talk a little more about the banks. The hon. Member for Tatton raised the problem—if it is a problem—of the euro-sterling exchange rate for the first time several weeks ago. He was chided by the Government for being unpatriotic and for talking down the pound. I want to make it clear that I have absolutely no truck with such idiotic arguments. It is perfectly reasonable for the hon. Gentleman, or anybody else, to talk about the pound, and to do so pessimistically or optimistically. That is an entirely sensible subject for debate and there is no reason whatsoever why he should not talk about it—although whether what he said is sensible is a different matter.

Kelvin Hopkins (Luton, North) (Lab): Talking about the euro-sterling exchange rate, does the hon. Gentleman accept that for a decade or more the pound was overvalued relative to the euro, and that we had a structural trade deficit as a result? Have we not just experienced a sensible readjustment? Does he think that depreciation is a necessary condition, if not a sufficient one, for Britain's recovery?

Dr. Cable: I agree with almost every word of that, which makes me wonder why the issue was raised in the first place. Is it a problem? Why is it a problem? If it was raised as a problem, what is the solution? The question of whether there is a problem goes back to the precise point that the hon. Gentleman has just raised: all the manufacturers tell me that they are privately rather relieved that they can compete more effectively in their export markets and, even more importantly, compete against imports.

Mr. George Osborne: You want to join the euro.

Dr. Cable: I shall come to that in a moment.

If there is a problem—the Conservative spokesman clearly thinks that there is—what is the solution? We need to ask why the pound has been falling for a prolonged period against the dollar, and for a rather shorter period, but substantially, against the euro too.

[Dr. Cable]

The standard answer, of course, is that there are interest rate differentials and the markets expect bigger movements in interest rates than would occur in the eurozone. Of course, that is a mechanical answer. Why has the British reaction to the crisis had to be so much more dramatic than that in the eurozone? There are two reasons for that. First, the bubble in the British housing market was much more extreme. The other reason, which is an important one, is that Britain has a much bigger financial sector.

Professor Buiter at the London School of Economics, who I believe is offering advice to the Conservative party on these matters, has set out a very careful argument along the lines that Britain is beginning to suffer from, or already suffers from, what he calls an Icelandic problem, which is that it is very dangerous for a middle-sized country such as Britain to have a very large banking sector or financial sector. That exposes such countries to big financial shocks and to big movements in the exchange rate. If that is the case—I think that it probably is—there are two practical solutions. First, of course, one can reduce the scale of the financial sector and do to the City what Mrs. Thatcher did to the coalmining industry; one can reduce vulnerability in that way. However, that is brutal and negative and destroys a lot of wealth creation in the process.

The other solution is to lock in the exchange rate to a much bigger area. I shall not cause excitement by saying that that is what we ought to do, but we certainly need to have an open mind on the issue, and when the crisis is over, we may well have to return to it. I leave that with the Conservative spokesman. If he wants to raise the pound-euro issue, he must presume that there is a problem and that there is a solution—and if that is not the solution, I would be interested to know what is.

Mr. Pelling: I thank the hon. Gentleman for giving way, despite the fact that that displeased his colleague the hon. Member for Taunton (Mr. Browne), who is sitting next to him. Is not a better measure of the problem the credit default swap and the way in which the spread is widened out to 113 bases at once for five years of CDS? Surely, as has been suggested in the media, the problem is that the Government are ultimately liable for the £9 trillion of liabilities and assets from the banks. The country is exposed to a very real danger if the Government are driven to nationalising the entire banking sector, excluding HSBC.

Dr. Cable: I think the hon. Gentleman is putting my point in a slightly different way: the British financial sector is extremely large relative to the economy and a lot of risks flow from that. I should be interested to hear his solution.

The second issue arises from the controversy with Mr. Steinbrück in Germany over the past few days about fiscal stimulus. I agree with the hon. Member for Tatton that there is an element of schadenfreude. The Germans have been lectured for years about how wonderful it would be to adopt the Anglo-Saxon model of financial capitalism and how they should copy everything the British Government have been doing, but have now discovered that it was not so clever after all. The Germans are obviously having a bit of fun, but Mr. Steinbrück has been making a serious point about the lack of wisdom—as the Germans appear to believe, or at least he does—in having a fiscal stimulus.

The Conservatives have taken a certain amount of moral encouragement from the fact that they have at least one ally in the argument. I am not sure how firm the ally actually is, because over the weekend the Germans seem to have capitulated and agreed that there should be a fiscal stimulus after all. None the less, there is a strong argument made by the Germans and, among others, the Polish right wing, that we should not have fiscal stimulus. We need to examine such arguments carefully, because this is absolutely crucial to where we go from here.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Will the hon. Gentleman give way?

Dr. Cable: I will take interventions shortly.

Western economies are in an extreme state of crisis. If interest rates cannot do the job, fiscal stimulus has to be the alternative. As my hon. Friend the Member for Eastleigh (Chris Huhne), has already pointed out, we already accept a fairly high degree of consensus that a large part of the present deficit will have to happen; we are arguing about whether a little more should be put in on top. In the British case, we are talking about between 1 and 2 per cent.

What are the arguments against the fear felt by the Germans—and, presumably, the British Conservatives? Their first argument is that there is no point in a fiscal stimulus because people will not spend, but will just save. They will see taxes coming in the future so they will see no point in spending the windfall; they will hoard it and save it, so nothing will happen. There may be an element of truth in that, but it depends on exactly how the measure is applied. One of the reasons why we shall be coming back to discuss the VAT changes on Wednesday—having prayed against the order—is that they are not the best way to provide fiscal stimulus. They create precisely the problem that the Germans have identified, which is why we argue that fiscal stimulus is better done the American way, predominantly through public works. What the Americans call shovel-ready projects are a much better way of getting income into the economy.

The other way of arguing that fiscal stimulus is a bad idea is to say that although we get something today, we shall have to pay for it tomorrow—an argument that Keynes famously demolished with the line:

" in the long run, we're all dead."

He was not simply saying that the long term is further away than the short term, as it obviously is, but was making the more profound point that if Governments do nothing the recession is even deeper, so the public finance position is even worse. Government deficits and debt will be even worse if there is no financial stimulus. That is the core of the argument that all the other members of the developed world—and, it would appear, the Chinese and the Indians too—now accept. It has to be right—and Mr. Steinbrück has to be wrong—that a fiscal stimulus is a necessary part of the solution. I am very disappointed that the Conservatives have not understood that fairly simple basic point.

Mr. Andrew Love (Edmonton) (Lab/Co-op): On the basis of what the hon. Gentleman has just said, and the gloomy scenario he painted at the beginning of his speech, is there any room for further fiscal stimulus in the future?

Dr. Cable: There may have to be, although we are rapidly exhausting it. The issue we face—and a question I intended to put to the Chancellor—is whether what has been done is too little, too late to avoid a major contraction. The issue being raised by the chairman of the United States Federal Reserve is that we need to go further than cuts in interest rates and fiscal stimulus; he used the phrase "quantitative easing", which is a nice, economist's way of talking about printing money. That raises all kinds of concerns in "The Dog and Duck" about what printing money actually means—but in fact it would mean the Government borrowing from the central bank and using that money either to make cash available or to buy up bonds to drive down the interest rate yield on long-term bonds and the cost of capital, or it could mean buying up assets. The Government can do lots of things, but that is the next issue on the agenda. If we are to have a forward-looking approach to the problem, it would be useful to know the Government's view of that idea. Would they support it? Are they advocating it?

Mr. Osborne: The question is whether Britain can afford a fiscal stimulus, not whether China, or indeed the United States, should undertake one. There is pretty broad consensus, expressed recently by the European Commission:

"For Member States, particularly those outside the euro area, facing significant…imbalances, the aim of budgetary policy should be to correct those imbalances."

In other words, Britain cannot afford extra discretionary borrowing. It relates to the point that the hon. Gentleman was making earlier when he was comparing the British and Icelandic situations; there are serious issues not only about Britain's creditworthiness, but also about how a country that goes into recession with a high budget deficit can afford to add to it in a discretionary way.

Dr. Cable: The European Commission is not always right, and on this occasion I think it is wrong, for two reasons. The first is that although the British economy undoubtedly has problems—the British fiscal deficit is one of the largest in the western world—British public debt in relation to the economy is not exceptionally large. It is lower than in the United States or in Germany, which puts Mr. Steinbrück's comments in context—but I do not totally disregard what the Conservative spokesman said; we have to be careful. We are already beginning to see that highly indebted countries such as Italy are finding it increasingly difficult and costly to borrow in international markets. If we reached that point, we would be in some difficulty. What he says is not completely wrong, but there is much scope for the Government to act, and they should act.

Mr. Dorrell: Does it not give the hon. Gentleman pause that the Government's figures, set out in table 1.1 of the pre-Budget report, show that if they borrowed in accordance with their plans, both the new borrowing they incur and the total stock of Government debt resulting from that borrowing would be higher as a percentage of national income than at the peak during either the 1975 recession or the recession of the early 1990s?

Dr. Cable: The right hon. Gentleman is right, because this recession is very bad and public debt as a share of the economy will indeed rise to alarming heights, as it will in all other major western countries.

The Conservatives constantly ask the Government to confirm that British debt will double. Of course it will. Why cannot the Government admit it? It is part of the logic of what is happening.

Kelvin Hopkins: Does the hon. Gentleman accept that there is still more scope for increasing taxes on the very rich? That revenue, if not spent directly, could help to service Government debt.

Dr. Cable: That is right, and we have made a few suggestions about how it could be done. We wish the Government had pursued them rather than flying their little flag about the 45 per cent. rate, which will not raise much money at all.

Mr. Frank Field: The House would find it valuable if the hon. Gentleman could spell out the differences between Government and Liberal Democrat policy. Might the difference be that his policy has a much greater chance of raising revenue, because he would change the value of tax allowances to the rich—for people who were claiming the allowance, who would thus already be paying tax—whereas we just hope that the rich will be a little more honest in completing their tax returns?

Dr. Cable: I thank the right hon. Gentleman for making my point. I think the Government are saying that they will not make the change for two years, but if the top rate is raised to 45 per cent., top-rate taxpayers will have two options: to convert their income to capital, on which they need to pay only 18 per cent., or to put the money into large pension pots, where they will have relief at the 45 per cent. top rate. It is to stop those two things happening that we suggest a more far-reaching reform of the tax system, which would raise much more revenue.

Let me move on to my third issue, which has to do with banks. Again, the Conservative spokesman was absolutely right to emphasise that decisions taken on the banking system are much more important than many of the issues that we have been discussing. The balance sheet of two of our banks—the Royal Bank of Scotland and Barclays—is substantially bigger than the whole of Government debt; that puts what we are talking about in context.

I should like to refer to several points raised in the debate. The suggestion was made that the Government coupon on the preference shares should be reduced; I think that the phrase that the hon. Member for Tatton used was that 12.5 per cent. was "too expensive". What is too expensive, I ask? When Barclays tried to raise money for itself in the market, it paid 16 per cent., so what is too expensive and what is too cheap? If we go much below 12 per cent.—if the Government were to negotiate—we would be talking about a subsidy to privately owned banks. We would effectively be resorting to privatising profits and socialising risks, as the old

[Dr. Cable]

adage has it; that is what the Government seem to be being urged to do. It may be the right thing to do; perhaps there is no alternative. However, let us be clear about how much subsidy is being advocated.

Mr. Tyrie: Would the hon. Gentleman agree that the 16 per cent. that he quoted is not really a market figure? There scarcely is a market for the papers that we are talking about at the moment. That market hardly exists, so the figure is not a reasonable comparator on the basis of which to try to calculate the size of the subsidy.

Dr. Cable: It is the only comparison we have, and it is what the bank paid, so presumably that is the alternative benchmark that we have to use. None the less, my point is a simple one. If the rate is to be cut, what will it be cut to? If there is to be a subsidy, who will pay it, and what should it be? I agree with the more fundamental point that the hon. Member for Tatton made—indeed, I have made it frequently myself in the past few weeks and months—which is that the banks are being given completely contradictory objectives. They are being told to lend more. They are being told to lend less by the Financial Services Authority, which wants them to hold more capital—perhaps too much capital, given the context. They are being told to repay the Government's loans. They also have their own objectives—to service their shareholders.

Surely the one thing that the Government have to do above all else is to be absolutely clear about the priorities. If the priority is to lend more, that has to be spelled out explicitly, and it has to override the other objectives. It does not matter whether we achieve that by putting people on boards, or simply by making the objectives very clear. What is completely lacking is any clarity at all about the strategy for the banks. That really has to be sorted out.

Finally on banks, the Conservatives have come up with a positive suggestion—the idea of guaranteeing new credit. That suggestion is part of the mix, and I welcome it. I should confess that when it comes to that subject, I have some form: 25 years ago, in the last banking crisis, I was invited to work with Lord Lever, whom some Labour Members may remember, on coming up with a way of getting credit going in a banking crisis—in that case, the crisis related to Latin America. Indeed, my hon. Friend the Member for Eastleigh was involved in the same exercise. The solution that we came up with was a loan guarantee scheme. It never actually worked. The problem posed was as follows: either we insist that banks take a share of the risk—that is the right and fair thing to do, but if we do that the banks do not do anything, because they do not want to take risks—or we effectively underwrite the lot and nationalise credit. It is not clear which of the two is being proposed. It seems to be a bit of each, or something between the two.

A rather perceptive comment was made by the political editor of *The Independent*, who said that

"the National Loan Guarantee Scheme is potentially even more statist than Labour's schemes."

That may be right. If the scheme is to work on a large scale, that is what is involved—the nationalisation of credit, and some of us are not totally repelled by the idea. None the less, we should be clear about what is involved.

In conclusion, we are faced with a desperately serious and deteriorating situation. The figures that have come out in the past few weeks for some of the other developed countries are positively alarming. What is required is not a single-bullet solution, but a combination of measures: a radical approach to monetary policy, cutting interest rates, fiscal stimulus and radical action to get bank lending working. What is needed is not one of those measures, but all of them.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Let me remind the House that Mr. Speaker has placed a 10-minute limit on Back Benchers' speeches; it applies from now.

6.15 pm

John McFall (West Dunbartonshire) (Lab/Co-op): It is a pleasure to speak in this Queen's Speech debate. The 2008 pre-Budget report stands as a testament to the significant change in outlook for the economy over the next few years. There has even been a change since the forecasts provided by the Treasury at the time of the 2008 Budget. The downturn has spread to the real economy from the financial sector, so it is appropriate and important that we examine the issue of bank lending.

The Governor of the Bank of England, in his evidence to the Treasury Committee on the November inflation report, stated that he was in

"no doubt that the single most pressing challenge to domestic economic policy"

was

"to get the banking system to resume lending in any normal sense".

However, the market is telling the banks that they must hoard capital, so individually banks are trying to strengthen themselves by reducing their lending. That action on the part of each individual bank is having a collective effect. The reduction in bank lending is slowing the economy to the point where jobs are being lost and companies are becoming insolvent. That in turn raises the loss rates on bank lending.

One expert witness before the Committee said:

"It seems to me to be not adequate to give the banks money to back up their balance sheets and then expect them individually to behave in the collective interest; they cannot. Any self-respecting bank management, not having confidence that the others were going to do the same, would batten down the hatches and be cautious—to the point of recklessness from the point of view of the collective interest."

Let me stress the key phrase: banks are being

"cautious—to the point of recklessness".

The Government face a dilemma. Despite the considerable injections of capital and the credit guarantees, bank lending seems either unavailable or overly expensive. Where, ask the public, is the payback for the taxpayer assistance provided to the banks?

We must be prepared to think flexibly, perhaps even radically, about the next steps. If the lending panel is unable to persuade the banks to start lending again, we may have to be bolder in our prescriptions. Nothing should be ruled out. Indeed, when the Governor of the Bank of England came before the Committee a couple of weeks ago, he said that nothing should be ruled out,

including the possibility of nationalisation. The Government must consider directing the banks to lend, as suggested by Roger Bootle to our Committee. It could be considered a market failure if the banks did not lend more, so a public sector intervention could be warranted to produce a better overall outcome, as I have said.

Of course, if the banks take that direction, it will raise its own problems. A careful balancing act is in operation between the Government's need to receive repayment, the needs of the banks, which do not want further to damage their future profitability, and the needs of consumers and businesses, who need additional lending by the banks now. One of the messages that the Government should get across to the banks is that they should consider themselves nationalised for quite a long time, so that we can get the problem sorted out. The Committee visited Sweden; in the 1990s, that country had problems, and some of the banks there are still nationalised. In fact, there is still 20 per cent. Government investment in the top bank there. A long time is needed to sort out the problems that we are discussing.

Kelvin Hopkins: I am very interested in what my right hon. Friend is saying. What is wrong with a substantial part, or all, of the banking sector being permanently nationalised?

John McFall: That is my hon. Friend's viewpoint. If we can get the system working, and do not rush to judgment, that is fine, but I want the system to work. We do not want the banks to lend recklessly. In the long term, we recognise that bank lending will need to come back into line with savings. We will need to close the £700 billion funding gap. I am talking about the difference between the level of savings and lending in the banking system; that gap has opened up since 2001, when savings and lending were in equilibrium. Seven or eight years later, there is a £700 billion gap. We will all have to address that in the medium or longer term. We need the banks to lend constructively in the short term. At present, viable businesses are not getting the money that they need, and if the economy is to recover as the Government forecast, the banks must begin to lend. The pre-Budget report highlights that lack of lending as a risk to the Government's forecasts, and certainly the Treasury Committee will scrutinise that problem regularly. We will conduct a banking crisis inquiry in the new year, when it will still be a big feature.

May I discuss the fiscal stimulus to the public finances which, as the hon. Member for Twickenham (Dr. Cable) eloquently said, is absolutely necessary if we want to avoid a longer, deeper recession? The fiscal stimulus—excluding weakening tax revenues and a rising benefits bill; the so-called automatic stabilisers, which have been accepted by the official Opposition—has cost £20 billion so far. It is not a question of whether we can afford that but of whether we can afford not to have a fiscal stimulus. The answer to that is a resounding no.

Economic growth in 2009 is forecast to be about half a percentage point higher than it would have been in the absence of a fiscal stimulus. The 2005 figures from research undertaken by the House of Commons library show that the Exchequer cost for each additional unemployed person was about £10,000 per year in benefits and lost national insurance contributions. Those figures take no account of indirect costs, such as reduced output and corporation taxation, increases in bad debts, and the social costs of unemployment, which result in higher demands on the NHS and social services agencies. They do not take account, either, of direct local authority costs through housing and council tax benefits and free school meals. Action at this stage can therefore prevent catastrophe at a later stage for individuals and families.

We cannot allow the recession simply to take its course, and wait for the resulting redundancies and repossessions to materialise. Not only would that be completely unfair on thousands of hard-working families and undo a decade of the work Labour has done to combat poverty and promote social and financial inclusion. But as I have said it would be expensive in the long run. We cannot rule out the possibility that we may need to go further and invest more to guide the economy through the downturn. The Government should consider putting money into the pockets of those with the lowest incomes—they are the people who need the most support during these tough times, as they are most likely to spend rather than save any extra money given to them—as that would provide a kick-start to the economy.

I have looked at the blogs of certain right hon. and hon. Members, including the right hon. Member for Wokingham (Mr. Redwood), who said on 10 December:

> "Any tax reductions this year should be Income Tax reductions helping the lower paid."

That is a very good start to the fiscal stimulus—someone is coming on to our side on that issue. There are a number of inconsistencies in the argument made by the official Opposition. They have said quite clearly that they would do nothing to protect the homes and jobs of families across the UK during the recession, and the Leader of the Opposition said on the "Today" programme last week that he would let the "automatic stabilisers" operate—he would allow tax receipts to fall and unemployment costs to rise, as is normal during a recession.

However, as I said in an intervention, Treasury figures show that most of the Government's borrowing is down to those automatic stabilisers, which the Conservatives support. Next year, when the Government's fiscal deficit reaches 8 per cent. of GDP, only about 1 per cent. of that will be due to the Government's fiscal stimulus measures, with the other 7 per cent. made up of increases in borrowing relating to the automatic stabilisers. Indeed, figures from the Institute for Fiscal Studies, which the official Opposition love to quote, show that over a five-year period until 2013, due to automatic factors alone, projections of Government borrowing have increased by more than £310 billion compared with the outlook at the time of the March Budget. That is far above the Government's discretionary measures, and the Conservatives have committed themselves to it. The Conservatives are therefore committed to increasing public debt, and they should be honest, clear and transparent about the issue.

The Conservatives have spoken, too, of a tax grab after 2010. Again, according to the IFS, the measures in the PBR will increase the tax take by only 0.6 per cent. by 2013. It is economic growth that will be the major factor in paying off the extra debt, not higher taxes. When the economy returns to growth, the automatic stabilisers will therefore reverse. The official Opposition need to be reminded that between 1997 and 2002, the Labour Government decreased public sector

[John McFall]

net debt from the 43 per cent. of GDP that they inherited to 29 per cent. That was not the result of higher taxes, but of economic growth and careful financial management. When the deputy governor of the Bank of England, Sir John Gieve, appeared before the Treasury Committee and was asked about that extra borrowing, he said that if we went back to the position in the early 1990s with GDP debt at 8 per cent., that could be cleared up over a 10-year period. We must therefore have faith in the fiscal stimulus, and in the longer term ensure that the budget is balanced. If we could do it from the '90s to 2000, we can do it now.

Roger Bootle said in *The Daily Telegraph*:

"Extra borrowing by the Government, if it encourages more output, can be self-financing."

The debts can be paid off when the economy returns to growth. The official Opposition, however, would cut spending now, at the worst possible time for the economy. Cuts in public spending mean cuts in benefits and public services, and public sector job losses. At a time of recession, that is economic madness. The Government plan to reduce spending when the time is right, to allow our debts to be paid off when the economy returns to growth, and they are absolutely correct to do so.

The official Opposition say that under the Government's policies public debt is too high. Again, the Leader of the Opposition said on the "Today" programme:

"We are going to have the public finances of Italy".

What absolute nonsense. What sort of statement is that? The Leader of the Opposition should know that the public sector net debt in the UK will peak at 57 per cent. of GDP in 2014, which is lower than today's public sector net debt figures for France, Germany, and the USA and, indeed, Italy, which has double that figure at over 100 per cent. The debts of other countries will increase, too.

The Conservatives have found themselves on the wrong side of the argument on the international stage, as the G20 have agreed with the Government. They have found themselves on the wrong side of the argument with respected economists such as Sam Brittan, who said:

"Maxims about debt that might be prudent for families can be the height of folly for governments."

They have found themselves on the wrong side of the argument with the former Conservative Cabinet Minister, Michael Portillo, who wrote in *The Sunday Times* yesterday that

"the opposition is... doomed to replay its bad dream."

He said that the Leader of the Opposition would find himself on the same ground as two previous leaders of his party, the right hon. Member for Richmond, Yorks (Mr. Hague) and the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), and would be asked repeatedly at the next election where the cuts would come from. We should not allow the British public to face the chill winds of the economic recession over the next few months alone. We must do everything to assist and help them, so that the recession is more palatable for them, we can come out the other side, they can spend and we can end up with a balanced budget.

6.28 pm

Sir Peter Tapsell (Louth and Horncastle) (Con): Under the 10-minute limit for speeches, one can really utter only a few soundbites, without giving any supporting arguments. I will save nine and a half minutes by saying that I agree with almost everything that the hon. Member for Twickenham (Dr. Cable) said, and that I am a regular reader and admirer of Mr. Bootle's articles in *The Daily Telegraph*. That saves a lot of argument.

To be entirely serious for a moment, I am probably one of the few people in the House—perhaps the only one today—who remembers the 1930s slump. My father was unemployed, and I remember my mother weeping in the kitchen, and all that. I agree with the hon. Member for Twickenham that we are facing a very grave situation indeed which, I am afraid, will be comparable, in due course, with the 1930s. So I do hope that the House of Commons will stop the amusing knockabout atmosphere in which these matters have largely been discussed up till now. They are too grave. Nobody enjoys parliamentary knockabout more than I do, but the country faces the gravest crisis since May 1940. The whole world capitalist system is in danger and there could be mass unemployment in this country in two or three years.

In 1932, 20 per cent. of our work force were unemployed. I have listened with interest and studied all through the past week the quotes from Germany, but it is worth remembering that Chancellor Brüning, who was the chancellor in the last years of the Weimar republic, was advancing views and pursuing policies almost identical to the speeches that we have just heard from the German Minister of Finance. Although it was quite unintentional on Chancellor Brüning's part, he had the effect that whereas the Nazis got 8 per cent. of the vote in 1928 and 20 per cent. in 1930, they were in power by 1933. Herr Brüning, as he had then become, very wisely fled to Harvard and spent the rest of his very long life lecturing on the merits of classical economics.

I am not suggesting that anything of that kind is likely to happen in Germany again, but it is interesting that Chancellor Merkel slapped down her Finance Minister within 48 hours by signing up to a fiscal stimulus of €200 billion for the 27 countries of Europe. My German friends—hon. Members may be surprised to know that I have quite a lot of them—tell me that she is waiting to produce a much bigger fiscal stimulus at the same time as President-elect Obama's Administration produce theirs. I predict that when President-elect Obama becomes the President, he will produce the biggest fiscal stimulus that the world has seen since Franklin Delano Roosevelt.

Of course, every country is different, and each country is influenced by its history. The German nightmare has always been the inflation of the 1920s, and our nightmare has always been—though perhaps much more among my generation than among younger Members—a return of unemployment. I remember when the Speaker in Ted Heath's day had to suspend the sitting of the House of Commons when unemployment went over 1 million. There would not be that reaction today, but in the early 1970s everybody in the House remembered what unemployment was like. People have forgotten it, and it will be much more difficult this time because the benefits system is so infinitely more generous. The enormous increases in expenditure that we will have to make in order to look after our unemployed will make the whole financial situation even more difficult.

I am just as good a monetarist as the next man. I am a Keynesian, and nobody wrote about monetarism with more authority than Keynes, but deflation is a very much more difficult problem to deal with than inflation. Everybody knows how to cure inflation, although it is extremely painful. To some extent, everybody had proceeded on the assumption that Keynes had buried deflation. Well, it has now risen from the grave and it is extremely difficult to cope with, because once one has reduced interest rates to a very low level, the monetary weapon ceases to be at all effective, as the governor of the European Central Bank pointed out yesterday, quoted in the *Financial Times*.

In America people have been pouring money into the three-month Treasury note market, which as a result is already showing a minus zero return. At the same time, the long end of the bond market—the Government end—has gone up enormously. I, naturally, have all my life savings in the American dollar and in long-dated bonds. The dollar has gone up enormously and the bonds have jumped by 20 per cent. in the past month. I do not understand why all our pension funds are collapsing. All the fund managers had to do was to do that and they would all have had enormous increases, but the fact is that the people who run our affairs are quite fantastically incompetent.

I made five suggestions to the Prime Minister on the Floor of the House before his Chancellor produced the pre-Budget report. He said subsequently that he had accepted and adopted them all, but that I had not convinced those on my Front Bench. That is not a new experience for me. I did not succeed in convincing those on my Front Bench not to join the exchange rate mechanism; I failed to persuade them not to introduce the poll tax; and I failed to persuade them not to support the invasion of Iraq. So I shall try again and suggest that we should not rule out the possibility of fiscal stimulus at a time when we face the prospect of the biggest deflationary slump that anybody can remember and when the monetary weapon has been virtually neutralised.

That is one of the reasons why—I want to try to curry favour, as always, with my Front-Bench team—I am a great admirer of their plan for a national loan guarantee scheme. It will be £50 billion, and what I like so much about it is that it will be a magnificent fiscal stimulus. As was pointed out with reference to the south American experience, one can be quite sure that the banks will not take on any of the risk. It will all be taken on by the taxpayer, it will be paid for by extra borrowing and it will do an enormous amount of good, because the three great dangers are, first, the banks not continuing and having to be bailed out, secondly, that the banks will not lend to each other, and thirdly, that the banks will not lend to business. The national loan guarantee scheme will greatly encourage banks to lend to business, which is exactly what we want, and will perhaps mean that unemployment will therefore not soar quite as high as I fear.

6.38 pm

Malcolm Wicks (Croydon, North) (Lab): Most of the debate has, understandably, been on the grave economic situation that faces the country and our constituents. I, however, will move on to issues connected with welfare reform and the future of our welfare state.

I preface my remarks by saying something with which most people would agree. I believe that the advent of the welfare state, which my party in particular is pleased about in terms of our role, but which nevertheless has politically mixed parentage, has been one of the most civilising forces in our society. It has helped tackle some of the debilitating impacts of inequality, and within that welfare state our social security system is crucial. That is why I support reform of our welfare state.

Our welfare state, as it has developed over the past 10 or 20 years, faces many pressures and demands. Some are demographic—the ageing of our population, and hence the importance of the pension question, both the state pension and occupational pensions. There is a debate to be had about what I regard as unfinished business in relation to the costs of long-term care, which are a significant worry to many of our constituents and many families.

There have also been significant family pressures. We have seen a revolution in patterns of family formation and family dissolution, including the fact that growing numbers of our children in Britain, for reasons that we can understand, now spend significant parts of their childhoods living with just one parent, rather than two. All that raises a host of questions and any sensible answers that we seek in the coming months and years need to be grounded in an understanding of what a welfare state should be about in the early years of the 21st century.

Recently, I visited one of my constituents—an elderly gentleman who wanted to talk to me about these issues. He had two political heroes: Winston Churchill, whose portrait was on the wall, and Ernie Bevin. My constituent told me that during the war years and the period of social reconstruction, based significantly on the Beveridge report, after the war, British people understood what he called the "rules of the game". He meant that people would make national insurance contributions when they could—that was their responsibility—and that, when in need, they had an equal right to take from the community chest of those contributions. His concern was that he felt that there was no longer any kind of consensus about the rules of the game. He thought that the welfare state did many good things, but that people did not understand the foundation of values on which it was based. I have been reflecting on that since my conversation with my constituent from Croydon, North.

Clearly, the Government's, and surely Parliament's, objective is that those in a position to work or who could be in a position to work, with adequate support—perhaps through extra training and skills enhancement—should do so. That would be good for the individual and their family, good for the economy and good for the public sense of fairness; it would build up confidence again in our welfare state and what it is about. Moving from principle to practice has never been easy. A number of specific questions arise, such as, "Which citizens are able to work?" Those with the most serious disabilities—and I mean the most serious—cannot work, and they deserve our support through social security and wider welfare state provision. But how do we account for the extraordinary increase in the numbers of our citizens on what we have until recently called incapacity benefit? Between the late 1970s and the mid-1990s, the number of people claiming it trebled.

[Malcolm Wicks]

There is a different kind of question: how old should be the youngest child of a lone parent—who is sometimes, but not always, unsupported by the child's other parent—before that lone parent can reasonably be expected to seek a job? There are many other questions, but those two issues of incapacity and lone parenthood are at the heart of our reform agenda. They account for millions of our people, both adults and children. They involve billions of pounds of the public's money and are complex and controversial—not least because many of those affected are among our most vulnerable and deprived fellow citizens.

To help us through this political, economic and human minefield, I should say that the starting point should be about developing a new—I suppose that I really mean "a renewed"—public understanding, and therefore as much consensus as possible about the relationship between the citizen and the state. That should start with citizenship, a concept to which too often we pay lip service but neglect. What are the rights of the citizen in relation to the welfare state? Equally, what are the citizen's duties and responsibilities? I mean the duties to work, when that is practicable, and to provide for dependants, even when separation or divorce means that one parent no longer lives permanently with his—or sometimes her—children.

The British welfare state was established on a firm principle, which, as I implied earlier, was widely accepted; it was certainly accepted by my elderly constituent. It was that if people could work, they should work and they would work. However, if they could not, they could draw benefits, as of right, without stigma or fear.

David Taylor (North-West Leicestershire) (Lab/Co-op): Does my right hon. Friend agree with me about one point in the fine speech made by the hon. Member for Louth and Horncastle (Sir Peter Tapsell)? I believe that the hon. Gentleman went wrong in saying that the benefits provided to those who might be squeezed out of work would be infinitely more generous than they had been. That gives the impression that people can somehow fall back on cushioned indolence. That is the impression held by some members of the journalistic profession and of the wider population. It is not the case, however; benefits are a base from which to work, but they are certainly not generous.

Malcolm Wicks: Let me pursue my argument, because I will touch on that issue—and, I fear, not necessarily in ways that will please my hon. Friend.

Where are we now on these issues? I believe that the great majority of our constituents still accept the principle that those who can, need to work. I met another constituent at my advice surgery who was going to enormous efforts to maintain her work in the most difficult family circumstances, including domestic violence. That sense of work ethic is still held by the vast majority. However, I have learned—not so much through my past research studies, but more through the seminars, so to speak, at my advice surgery—that a minority do not accept their responsibility to work. Understandably, the majority of our constituents feel resentment towards them. A minority feel that work is merely one option alongside an equal option to stay on benefits. I have met those people; they sometimes come from households in which no one has worked for 10 or more years, despite having adult status.

We need to consider the workings of housing benefit; there is some review of the issue at the moment. We also need to consider the issue of fraud. To be blunt, if we are honest—the public know this, and we should—we need to look at those who are lone parents in terms of their benefit status, but are part of a couple in terms of their living arrangements. We need to be honest about that if there is not to be a gap between what the public understand on the estates and elsewhere, and what we in Parliament understand.

Alongside those work-shy households—my elderly constituents would call them that—are other citizens in the most chronic need. When I go around my constituency, I am struck by the fact that those in greatest need are still those with serious disabilities. Sometimes they are young children who have suffered the consequences of measles—that is another debate. Sometimes they are grown-up children and sometimes they are the frail elderly. Those people, who often get a great deal of support from the public, need yet more. They and their carers need some of the help that we are squandering at the moment by not putting the principles about work first into practice.

Mr. Pelling: Will the right hon. Gentleman give way?

Malcolm Wicks: I do not have the time to, sir; I am sure that we can debate these matters later in a prominent London borough.

Some of the people who feel that they have a right to stay on benefits have little understanding of the effect of that on their fellow citizens; those who pay for benefits include people on low wages, and their circumstances are often little different from those of people on benefit.

In conclusion, although I support the broad thrust of what the Government are doing on what we now call—copying the Americans, for some reason—welfare reform, we need to approach the task sensitively. The Government are doing that. I always thought it nonsense that until very recently we were telling lone parents that they could stay on benefit until their youngest child was 16. That was nonsense, given that many other parents in two-parent families were working when their children were far younger. The policy did not do the lone mother or her children any good.

I like the direction in which we are moving now; we are being more realistic about the issue. However, we need to be sensitive, and Ministers are being so. There is some talk that people should be in work when their child is one year old. Let us be sensible. By all means, we should encourage such parents to go on training and enhance their skills and the rest, but such children are so preciously young and we should not spoil a good policy by appearing to be too tough-minded and too negative about those caring for the youngest child.

6.49 pm

Sir Peter Viggers (Gosport) (Con): The right hon. Member for Croydon, North (Malcolm Wicks) made a thoughtful and constructive speech, and I am sorry not to follow his theme, but I want to talk about the economy.

The Chancellor of the Exchequer said in his Budget in March:

"Britain is better placed than other economies to withstand the slowdown in the economy."

He went on to say:

"I am able to report that the British economy will continue to grow throughout this year and beyond."

Later he underlined the point by saying that

"we enter this period of uncertainty better placed than any other major economy."—[*Official Report*, 12 March 2008; Vol. 473, c. 285-287.]

Since then, of course, the markets have blown the Government a decisive raspberry. The pound has fallen 26 per cent. against the dollar and 14 per cent. against the euro. The Government have clearly got this completely wrong, and the situation is dire. For 10 years, they have been boasting about their brilliance, notably the current Prime Minister with his glutinous self-satisfaction in his Budgets. How did they get away with it for 10 years? The truth is that during that period we have had a tailwind of globalisation, with first, the Asian tigers, and then the BRIC countries of Brazil, Russia, India and China. They have had 9 to 14 per cent. growth, and the rising tide of prosperity has covered the horrors that this socialist Government have imposed on us.

There are two main issues: first, we are over-taxed; and, secondly, we are over-governed. Both are equally important. Tax is cumulative—we pay direct taxes, indirect taxes, fuel duties, excises, and council tax. The burden of tax is too high, unfair and, in many cases, too complicated. We are over-governed, with all kinds of legislation under the umbrella of human rights, European legislation, health and safety, freedom of information and the ghastly tax credits system. We are being micro-managed, and too many public sector jobs and pensions have been created. The situation was really quite bad, but it has taken this Government to make it dire.

The hon. Member for Twickenham (Dr. Cable) tried to think of a doppelganger for the Prime Minister and came up with Stalin and Mr. Bean. I have been pondering this, and I think that I have come up with a better one. Think of a big guy, a bit overweight. He is a Labour Member of Parliament, difficult to work with, thinks that he is brilliant and the rest of the world is stupid, tells us that black is white and white is black, and goes around stealing from pension funds—yes, it is Robert Maxwell. I mention pension funds because the two legacies that this Prime Minister will leave are the damage to the economy and the damage to the hopes of many people in their thirties and forties who have no chance of enjoying the level of dignified and comfortable retirement that current pensioners have. The Prime Minister is responsible for that serious problem, which results from the loss of and damage to pension funds together with the weakness of the stock exchange and assessments on longevity.

I want to turn to the banking crisis and where we stand now. The diagnosis of the problem and the analysis of how to work our way out of it have been very unsophisticated. In the United States, the concept of putting together a $700 billion fund to buy out toxic assets was completely wrong. Similarly, in this country, pumping money into the banking system has been unsophisticated. Why should anyone invest in an asset of uncertain value? The best analogue for our present situation is the situation at Lloyd's of London in the early 1990s—it was called the spiral. Lloyd's underwriters would underwrite a risk and pass it on to sub-underwriters, and it went round in a spiral, with sometimes the same risk being insured several times—not just twice or three times but many times more than that. The spiral caused Lloyd's immense problems. I was there. Following my time as a director of a secondary bank in the 1970s, I sat on the Council of Lloyd's—in fact, I sat on its audit committee as an outside name—trying to put the situation right.

I have made this comparison before, and I am pleased that others have now made it. The *Financial Times* reported on 17 November:

"Lloyd's, the insurance market that almost collapsed under heavy losses, survived through a restructuring that was the 'prototype of the bad bank', offering hope to financial institutions grappling with toxic debt, said Lord Levene of Portsoken, chairman of Lloyd's."

Lord Levene went on to explain how this was done. Banks should create a subsidiary to accept the assets that cannot be confirmed to be of a certain value; for the sake of shorthand, I will call them toxic debts. The toxic debts are put into the toxic subsidiary, and then the purged entity—the parent company—is a bank that can demonstrate its value and the fact that it is worthy of investment. As I said, why should anyone invest in an institution if its assets cannot be confirmed to be of a certain value? That is why people have been so reluctant to invest in the City and in banks, and why all banks are now reluctant to pass on credit to other banks and make loans.

That approach can work out extremely well, as it did in the case of Lloyd's. The subsidiary in question was called Equitas. Each of the insurance underwriting syndicates delegated its toxic assets to Equitas, which was managed separately. As Lord Levene said in his interview with the *Financial Times*:

"'If you have got this great boulder hanging over your head you need to concentrate on that all the time', he said. It makes it easier to move on, 'if you say we will let someone else concentrate on that and we will carry on running the ongoing business.'"

In the case of Equitas and Lloyd's of London, the asset was eventually sold off to Warren Buffett. The toxic assets had been "managed on". The great advantage of doing it in that way is that by pulling together the spiral of collateralised debt obligations and other assets that have been loaned on from bank to bank and identifying the weakness in the market, one finds that the loss had provision made against it by more than one institution, so the provision against loss is not only duplicated but multiplied many times, and the loss is less than one originally expected.

The Government have completely failed to identify the main problem, which is the banks' unwillingness to lend. The Conservative Opposition are exactly right in proposing a scheme that would guarantee lending and carefully target action where it is most needed. This Government are floundering. I have never felt more strongly that workers and advisers in the Treasury and the Bank of England should argue their point strongly with the Government. Above all, however, it is crucial that we have the opportunity to give the voters a chance to vote this Government out and a competent Government in.

6.57 pm

Mr. Michael Meacher (Oldham, West and Royton) (Lab): Like most other speakers, I want to concentrate on the recession and how we should be dealing with it. Let me say at the outset that I strongly support the

[Mr. Michael Meacher]

Government's fiscal stimulus. When I listened to the shadow Chancellor, I heard nothing that persuaded me to change my mind about the fact that the Tories are making a very big mistake if they believe that showering the banks with billions of pounds of public subsidy at taxpayers' expense is compatible with treating the situation of the rest of the population in the real economy as a no-go area, with retrenchment and massive public expenditure cuts.

Having said that, I believe that the means that have been chosen to deliver the fiscal stimulus need re-examining. Let me explain why. First, the Government are obviously right to try to increase demand by trying to get the banks to lend more credit and putting money directly into people's pockets, but we seem to be getting the worst of both worlds. The Chancellor keeps urging the banks to pass on lower interest rates and to lend more credit, but it is just exhortation without any sanctions. There are no targets for lending in exchange for the billions of pounds of taxpayers' money that the banks have received, and no penalties for falling short. I regret that my right hon. Friend the Secretary of State for Work and Pensions has left the Chamber. In his statement about welfare reform, conditionality was all the rage, but when it comes to the banks, in a much bigger economic forum, conditionality appears to go out of the window. That is a mistake.

The Government have also tried to put money into people's hands directly through the 2.5 per cent. VAT cut. The trouble is that it is extremely costly in terms of lost revenue and it is disproportionately less effective. The deadweight cost of £12.5 billion in increasing demand is extremely high in the context of retail discounts, which have already been given, of 20 or 30 per cent. A far better way of trying to get money spent is to give to all people on the standard rate or below non-cashable vouchers for domestic goods and services that expire in, say, three or six months. They would have little option but to spend those vouchers. That would have been a much better idea.

The second area where the fiscal stimulus could be managed differently and rather better concerns the question of affordability, about which there has been some discussion today. The Tory argument is that the level of public borrowing is extremely high, which it is, and that we therefore cannot afford the fiscal stimulus. There are two ripostes to that argument. First, the Leader of the Opposition has made it quite clear several times that he is fully in support of the automatic stabilisers, which give benefits to people when they lose their jobs, and that they should apply in the normal way during the recession. Those stabilisers, of course, account for the vast majority of the increase in borrowing. If we look at the Treasury figures, we see that the Budget deficit will rise from 3 to 7 per cent. of GDP precisely because of the automatic stabilisers. All that the Government have done is add a further 1 per cent. To say that we can afford 7 per cent. of GDP but we cannot afford 8 per cent., which appears to be argument of the Leader of the Opposition, is totally unconvincing.

There is another answer to the central dilemma of alleged affordability that I fear neither Front-Bench team seems ready to contemplate. To be fair, the Chancellor did impose a higher tax rate in the pre-Budget report: 5 per cent. more for those earning more than £150,000, starting in 2011. I regard that as welcome, but it is little more than window dressing. The money raised will be only about £670 million, the rise applies to only 1.3 per cent. of taxpayers and the money will not start rolling in until 2011, whereas we need the money now.

That approach would have potential if it were used more widely, however, and I shall give two or three examples. First, companies are currently given their CO_2 pollution allowances free. After the EU Council last weekend, they will be required to buy permits by auction; even if they bought just 10 per cent. of those permits, the Government would raise up to £20 billion to £30 billion a year. Shell and BP alone this year made windfall profits calculated at more than £20 billion, and they are expected to make a further unearned profit of £9 billion over the next four years from being given those permits for free. They should be made to pay for them in full.

Secondly, an extremely interesting report was written recently by the celebrated tax accountant specialist, Richard Murphy, called "The Missing Billions". It details precisely how the Treasury loses more than £13 billion a year from tax avoidance by super-rich individuals, plus a further £12 billion from tax avoidance by the 700 largest corporations. These are all official figures. In addition, the Treasury estimates that a further £8 billion is lost from artificial tax restriction measures, such as switching to another family member, an offshore company, a trust or a tax haven. On top of that, tax evasion, which is of course illegal, is reckoned to lose the country about £10 billion a year. If even half that total of £43 billion a year could be clawed back by a strengthened and better-resourced Revenue and Customs, the fiscal stimulus would not need to depend at all on unfunded tax cuts or increased borrowing.

I have one more example. It is easy to be accused of sloganising, but this example is for real. The Inland Revenue shows that those paid more than £100,000 a year—roughly 2 per cent. of the population—now receive no less than £8 billion a year in reliefs and allowances. Pension tax relief alone costs the nation £36 billion a year, and higher rate taxpayers get more than half of that. If those subsidies to the richest 2 to 3 per cent. of the population—and after all, they are the ones who need it least—were significantly pared down in the current extraordinary circumstances, that could certainly generate another £10 billion to £15 billion a year for the Exchequer. Finally, it is estimated that if the iniquitous non-dom rule were done away with, another £5 billion or so would be available to the Treasury. For all those reasons, the fiscal stimulus is not only affordable, but it could be extended substantially if we needed to do that—and we may well—without any increase whatsoever in borrowing or unfunded tax cuts.

The third way in which I believe the fiscal stimulus could be better managed concerns public expenditure. We know that the PBR indicates a proposed cut of £37 billion for the years 2011 to 2014. Instead of expanding public expenditure programmes as a potent stimulant of economic activity, it is proposed that public expenditure be reduced to staunch the ballooning Budget deficit caused by bank recapitalisation and unfunded tax cuts.

What is really needed is a carefully targeted increase in spending in sectors of the economy that are threatened by sharp decline or even meltdown, particularly construction

and housing. It could be paid for by increased taxes, national insurance contributions and reduced benefit payments that come from higher employment, by the tax surcharge on the super-rich and corporate tax avoiders that is clearly needed at the moment, and by an increase in the minimum deposits that the commercial banks are obliged to hold with the Bank of England, which could then be lent directly to the Government for new spending programmes. There are many options that I hope the Chancellor will look at—

Mr. Deputy Speaker: Order.

7.7 pm

Mr. Stephen Dorrell (Charnwood) (Con): I begin by declaring an interest as a director and shareholder of a trading company.

Harold Wilson famously said that a week was a long time in politics, but in 2008, three months has come to seem like half a lifetime. It is worth reflecting on how far we have travelled since 1 September. Three months ago, the Prime Minister was still bathed in a sort of jaded afterglow from his affair with prudence. It is ironic, given the events of last week, that at the beginning of the autumn, our most reliable ally in arguments in ECOFIN was Germany. The Germans saw the British Government as one of the most reliable advocates of the case for the liberal market economy, which is ironic given the statements that came out of Germany last week.

At the beginning of September, the Chancellor retreated to a Scottish island and told us by newspaper interview that we faced the worst outlook we had seen for 60 years. In the ensuing three months, we have seen things happen that were unthinkable as recently as summer this year. The Government have emerged as a majority shareholder in the Royal Bank of Scotland, and they are a major shareholder in Lloyds. They swept through a sweetheart deal between Lloyds and HBOS, which has established a dominant position for that bank in the domestic mortgage market, and we have seen the Budget deficit balloon in a period of eight months. The estimated Budget deficit for next year has increased by £80 billion, from an estimate of £38 billion at the time of the Budget to £118 billion now. There has been a new initiative every day and, as my hon. Friend the Member for Tatton (Mr. Osborne) made clear earlier, we have seen all the weaknesses of government by headline. Ministers have not thought through the detail of one policy before moving on to announce the next.

Against that background, I want to offer the analysis that two major policy developments have taken place during those three months: one with which I broadly agree and one with which I fundamentally disagree. I shall start with the analysis with which I broadly agree, and which led the Prime Minister and the Chancellor to call a press conference and say that the key priority facing the liberal economies of the world this autumn was the stabilisation of the banking system. That analysis led them to address the weakness of the balance sheet of the banks, and I believe that it was 100 per cent. right. There is no point in trying to build a future outlook for a market economy that does not recognise the centrality of the banking system to the allocation of capital within a capitalist system, and there is no point in talking about liquidity and getting credit moving again before the banks have been stabilised as institutions.

The Government were right to put the emphasis on achieving that result, but they have not followed through that analysis, because having stabilised the banking system, we have then witnessed round after round of ministerial frustration. We have been told repeatedly that the banking system has not been freed up; well, of course, it has not been freed up. One simple policy move—strengthening the balance sheets—has not solved the myriad problems that built up in the banking system in the period before autumn this year. The ministerial drive to move on to the next initiative rather than focus on the core priority of getting the banking system moving again is one of the core weaknesses of the Government policy that has evolved during the autumn.

My hon. Friend the Member for Gosport (Sir Peter Viggers) was entirely right to say that we cannot expect the banking system to function properly again until the issue of inherited toxic debts is seriously addressed. The banks have to fess up to the level of bad loans that they have and the number of bad assets that sit on their balance sheets. Until those are cleared out, they cannot raise new loans in the inter-bank market and get the banking system moving again. That is one element of the problem.

Given the experience of what has happened to us during the past 12 to 24 months, far from being told by Ministers that we need a return to 2007 lending levels, we—and certainly lenders to banks—want confidence that the banks themselves have relearned the basic essentials of good, sound risk assessment in making lending decisions. The ministerial focus—the focus by the authorities—on recreating a functioning banking system was an entirely correct priority, and it is overwhelmingly the most important priority we face today. It is regrettable that Ministers have flitted from initiative to initiative, rather than focusing on the delivery of that central priority.

As my hon. Friend the Member for Louth and Horncastle (Sir Peter Tapsell) said—he bemoaned the fact—one can cover things only extremely superficially in 10 minutes. I said there was one area with which I agreed and one with which I disagreed. I have focused on the former and emphasised the need for the re-establishment of effective lending at the centre of the capitalist system. However, I profoundly disagree with the implication in the debate today that there is somehow a choice to be made about whether we are in favour of or against a fiscal stimulus, and that one can merely opt for one side or the other of that argument without any assessment of the quantum of fiscal stimulus being advocated. That is why I sought to intervene on the Chancellor and did, in fact, intervene on the hon. Member for Twickenham (Dr. Cable).

I wish to point out that, because of the choices that the Government have made to deliver fiscal stimulus and allow the stabilisers to work, and most importantly to build upon the inherited structural deficit that has built up over the past four to five years, we face, as we go into this recession—I agree with my hon. Friend the Member for Louth and Horncastle about its severity—a situation in which, according to the Government's own estimated borrowing plans, in 2009-10 net borrowing will run at 8 per cent. of national income, and that assumes that they do not overshoot. However, at the same point in the 1975-6 cycle, the Denis Healey chancellorship incurred a borrowing level of 7 per cent.

[Mr. Stephen Dorrell]

of national income, which is 1 per cent. lower than that currently planned by Ministers. All those figures were set out in the pre-Budget report published by the Government.

We are already planning higher borrowing than the level the Government had in the mid-70s—which led to the arrival of the International Monetary Fund—both in the new borrowing to be incurred during 2009-10 and in the planned level of net debt that the economy will bear by 2012-13. That is the peak level in the Government's plans, which show 57 per cent. of net debt to national income against a peak level of 54 per cent. in the 1970s. The argument is not whether we are in favour of or against a fiscal stimulus. Of course, we know that if the stabilisers are at work, Government borrowing will increase during a recession. Conservative Members are concerned about the attitude of Ministers, because having gone from being prudent and cautious and seeking to dress themselves in the language and clothing of caution, they now imply there is no limit whatever on the Government's capacity to borrow to restimulate the economy. Ministers are already planning to take us into a deeper hole than the one Jim Callaghan's Government took us into in the mid-1970s.

7.17 pm

Mr. Frank Field (Birkenhead) (Lab): I wish to revert to the sombre note that the hon. Member for Louth and Horncastle (Sir Peter Tapsell) sounded, and the reality that he gave to the 1929 to 1931 slump by describing the impact on his family. He was too polite to remind the House that national income fell by 5 per cent. during the whole of that slump—a huge drop. He described the impact of such a fall in national wealth on employment.

The results that the National Institute of Economic and Social Research published a few days ago for the last completed quarter show that national income is falling at 4 per cent. a year. One hopes that the cumulative effect will not occur—but the treacherous economic domain into which we are entering may be as serious, if not more so, than the inter-war slump. We are debating that today, and we need to deploy whatever talent we have to try to influence Government policy.

In some ways I am more miserable than other hon. Members, because I fear that the Government do not have the room to manoeuvre that many Back Benchers suggested in their speeches. The amount of borrowing that we have to undertake and the potential troubling rate of inflation, which will dominate our economy, place genuine restraints on Government action.

I do not believe all this guff about how we are about to enter a period of negative price increases. I think that, sadly, the opposite will occur. The projected levels of borrowing that the Government gave us in their pre-Budget report, which the right hon. Member for Charnwood (Mr. Dorrell) touched on a moment ago, are in the region of £150 billion a year for every year until the Government stop estimating. There will be real problems in unloading that level of debt in the gilts market. The amber signals will flash for the economy when long-term interest rates are pushed up, which will kill the chance of a quick economic recovery.

I have also questioned elsewhere whether we will be able to unload that level of debt, and what that will mean for parliamentary and party government in this country. It is crucial that the leaders of the three major parties and the parties in Scotland and Northern Ireland should now be involved in talks about what we do if the worst scenario comes about. Of course we all hope that the best scenario will embrace us, but we also have a duty to think about the worst scenario.

That is why Wednesday's debate on the VAT increase will be so important, because it will be a pointer to the markets. Nobody is now defending the 2.5 per cent. cut in VAT. It is like spitting in the face of an economic hurricane. The shops are already cutting prices by 30 to 50 per cent. If anybody on the Government Benches thinks that a cut in VAT will save one job in their constituency, I will give way now. Sensibly, nobody is rising to the challenge.

Because of the restraints on the Government, we desperately need to look into how we best spend our money. We need to spend our money on extending credit to the firms that will go bust unless they can secure it. If hon. Members do not take the argument seriously enough, let me give an example. The cargo rates to China are now one tenth of what they were last year. The reason is not that China is not trying to suck in huge amounts of the world's primary resources, but that people who trade do not believe that their bills of exchange will be met. Companies will fold—they will fall like dominoes—unless the Government act.

Lorely Burt (Solihull) (LD): Will the right hon. Gentleman give way?

Mr. Field: No, I will not give way—well, I might in a minute.

My plea to the Government is to rethink how we can get some of that precious £20 billion that will otherwise be wasted on the VAT measures into credit for firms, and thereby protect our constituents' jobs.

The other thing that limits the Government's room for manoeuvre is inflation. For the Bank of England to say that inflation is not a worry, when the current rate of inflation is well over two times higher than the top of the target range, is moonshine. The spot market in oil is already prophesying that the price of oil will be significantly higher next year than it is now. Hon. Members nodded in agreement when the Liberal Democrat spokesman pooh-poohed the worry about the falling pound. A falling pound might give our exporters a greater chance, if there are markets in which they can sell, but a falling pound pushes up import prices and therefore adds worryingly to inflationary pressures, which are already high in this country.

There are two huge restraints on the Government. I beg them before Wednesday, when we debate the order giving them the authority to make what now appears to be an absurd cut in VAT, to save that £20 billion and get it to companies, which may save some of our constituents' jobs. Before I leave this point, I too remind the House what the 1930s were like for someone who had to live through them. We now need to move together to try to get policies that will mitigate the terrible economic disaster that is about to engulf our society.

In saying that, I welcome the welfare reform measures. We have a most talented Secretary of State for Work and Pensions, but he is being wasted by the absurd programme, to which he has nailed his colours, that says that if we talk tough and start roughing up claimants, they will somehow start going to work. Claimants know that Governments have spoken like that before, and then we hardly apply any sanctions.

The one piece of information that I want to give the House, however, is this: one third more claimants were leaving jobseeker's allowance at the bottom of the last recession than were leaving it earlier this year, at the top of the boom. There is clearly something happening in our labour market to suggest that welfare reform is crucial. I make a plea that we do not get too serious about single mums, who actually have the job of raising children. However, there are large numbers of people under 25 who have never worked, who think that they have a minimum income from the Government, and who have no intention of working. That applies in my constituency and in every other constituency in the country.

The previous Labour Government introduced the community programme, which was workfare by another name. It did some useful work in our constituencies. My plea is that we should scrap all this new deal stuff—the treadmills that people are on that punish them by sending them on training, instead of regarding training as a reward to get them out of the rut that they are in—and concentrate money on reinventing the community programme. We should say to young lads, "You've been on benefit for this long. There's now a job for you on the community programme. You either take it or you lose benefit." That would smack of serious welfare reform. Given our Secretary of State's talents, I hope that he will return to that theme before too long.

The theme of this debate is, rightly, the sombre note that the hon. Member for Twickenham (Dr. Cable) and the hon. Member for Louth and Horncastle struck. We might be on the brink of an economic catastrophe, and we need to mitigate its effects on the lives of our constituents.

7.27 pm

Stewart Hosie (Dundee, East) (SNP): It is a pleasure to follow the right hon. Member for Birkenhead (Mr. Field), and I am glad that he mentioned the pound. In the past few debates on the Budget and the pre-Budget report, I have commented on the balance of trade deficit. Last year we had an £87 billion deficit in goods and a total deficit of £70 billion in goods and services. Even with the collapse in the value of the pound sterling, the deficit is forecast to approach £50 billion every year over the next three years. That puts us in a serious position, and probably speaks volumes about the decimation of our productive capacity, and the loss of the 1 million manufacturing jobs that we have seen since Labour came to power.

I want briefly to take the House back to the late summer, when the banking crisis came to the fore in the public eye. Politicians from all parties suspended their usual criticisms of the Government to build a consensus on the stability package that was designed to bring confidence back to the banking sector. I found it incredibly disappointing that within days, the Government began to use the crisis for narrow political advantage. As the crisis in banking became a crisis in the real economy, I was doubly disappointed that they were using that, too, as a partisan lever.

The Government did that at the same time that they were saying that the global crisis—or the downturn, as it was described in the Queen's Speech—had nothing to do with them. Well, the crisis did not come from nowhere; it did not grow on a tree in the Amazon. Some of it was down to the lack of confidence and the risk associated with the American sub-prime mortgage sector, but it was also down to a combination of bad policy, poor regulation, a failure to act decisively and weak leadership on the part of leaders around the world, including our Prime Minister in the 10 years when he was Chancellor.

The crisis was also down to a failure to learn lessons, and there were many lessons to learn, not least in the 2000 edition of the Bank of England's "Financial Stability Review", which gave a good assessment of the then recent banking crisis in south-east Asia. It showed, in both the macro and the micro measurements of how to forecast a banking crisis, any number of metrics, including significant property-related lending, the degree of reliance on inter-bank lending, and domestic credit growth. I know that the Bank collates this information and that it is reported, but I make a plea to the Government and to the Treasury Select Committee to look not at how the information is collected and collated but at how it is analysed, so that we no longer find ourselves in a position—as we did with the 2007 report—in which many of the risks are documented but then glossed over, in line with the Government's assertion that everything is fine and that they have done everything correctly.

On the issue of burgeoning credit, among the many flaws that hon. Members have identified is the fact that too much credit was allowed into the system in the early part of the economic cycle, and there was too much public debt at the end of it. This has resulted in our having to borrow £300 billion more over the next three years and to triple the debt two years after that. The Government were effectively saying that there was nothing in the tank to stimulate the economy when the cycle ended—as it was always going to, because boom and bust never ended.

I would also add the criticism that this Government changed the system of banking regulation to allow banks to overexpose themselves to weak business models. This is not a critique that says that we need either a heavy-handed regulatory framework or a soft touch. However, we needed a regulatory framework—we still need one now—that identifies and manages the risks properly. I shall come back to that in a moment.

Mr. Pelling: Would the hon. Gentleman regard it as reasonable for the Scottish people to be taking on all the additional debt that has been taken on by the UK? Would it not be better for Scotland to leave as quickly as possible, so as not to be burdened with a debt that is far too huge for it to carry?

Stewart Hosie: It would be useful for Scotland to be independent as soon as people want it to be. I will not be too distracted by the hon. Gentleman's question—but given that Scotland has had an average surplus for the past 30 years, while the UK is building up a £1 trillion debt, there is much merit in his argument, and I shall certainly look at it in more detail in the future.

[Stewart Hosie]

A further criticism of the Government is that when the banking crisis was at its peak, Ireland moved decisively to guarantee all deposits in its banking system, yet they delayed and dithered, which weakened the position further and brought HBOS and RBS to their knees. More stark than that, however, was the Government's failure to have on the statute book a proper system for dealing with failing banks, even though they began to look at this issue in October 2007, when the Northern Rock failure commenced. Since then, we have had the recapitalisation of the banks, the facilitated takeover of Bradford & Bingley, a massive expansion in liquidity provision, an increase in deposit protection, and the Government standing behind inter-bank lending. I welcome much of this, but we did not have the appropriate provisions in place at the time.

Even the Banking Bill, which introduces a process for dealing with failed and failing banks, is not new. It was in the Queen's Speech, and will receive its Third Reading on Wednesday, but it will not be on the statute book until 2009. Given that we have a problem that started in the middle of 2007, yet we will not have a law to deal with it until 2009, the one criticism that we cannot level at the Government is that they have acted decisively.

There is a paucity of any real economic measures in the Queen's Speech. One thing that struck me during the Chancellor's pre-Budget report speech, and again during his comments today, was that he said that we needed to improve the system of regulation and supervision. It is therefore extraordinary that he also said that he would not have the relevant proposals reported to him until spring 2009. A Bill will be introduced two years after the problems began to emerge and became widely known, and the regulations or changes that it contains might not come into effect until 2010.

The fiscal stimulus in the emergency package has been widely discussed today, and we welcomed many of the measures in the pre-Budget report. However, the Government have said time and again that they were taking the lead and acting decisively—

Angus Robertson (Moray) (SNP): Saving the world.

Stewart Hosie: Indeed. However, the stimulus package came after the announcement of the $150 billion package from the USA in February, and after the €18 billion plan announced in Spain in April. It also came after the announcements in October of the plan in France to fund 100,000 subsidised work contracts, and the $275 billion plan in Japan that would result in $20 billion going straight to Japanese households. The package also post-dated Germany's announcement in early November of a €50 billion plan, and even China's £375 billion economic plan. So there has been a great deal of puffed-up hyperbole from the world-savers on the Labour Benches, but this Government have not led, nor has the Prime Minister saved the world. Indeed, I think that the old adage might well apply to him: he is their leader; he must follow them.

The UK Government have argued time after time that in this global crisis, we cannot insulate ourselves from the financial turmoil. That is absolutely true, but it does not allow them to abdicate responsibility for their part in the crisis. They look at this situation through a particular prism, which allows them to say that they have done everything right and that national debt was always low. That is ridiculous, because it was already a colossal £500 billion in the last Budget. It seems even more silly when we consider the hundreds of billions of pounds of private finance initiative liability, much of which is off balance sheet.

In this year's pre-Budget report, we saw PFI liabilities to 2033 reported at £216 billion—an increase of nearly £30 billion since last year. That increase is set against an increase of only £4 billion in the capital value. That means £7 of repayments for every £1 of capital—and that is not even the end of the story. Secreted away on the Treasury's website is the full list assigned projects—reporting to 2048—involving another £24 billion of liabilities, which were not even included in the pre-Budget report.

In economic terms, we have become used to the Government trying to hide things and making the wrong decisions. They reduced the Scottish Government's block by manipulating the English spending Departments' baselines. They hid their plan to raise VAT to 18.5 per cent. They subjected the whisky industry to two duty rises in a single year. They also kept on the books their plans for a real fuel duty escalator from 2010, and they are planning a £1 billion cut in Scottish spending when we are entering a recession and public expenditure must play an essential part in the stimulus package.

The fundamental problem with the Government's economic plans in the Queen's Speech and the pre-Budget report is that they are based on wildly optimistic assessments. They assume an early exit from a short recession, and rapid growth thereafter. The International Monetary Fund suggests that the recession will be deeper, and the recovery longer and much more difficult. Even with £300 billion of borrowing over the next three years and a doubling of the national debt thereafter, the Government already have a black hole in the public finances that can be measured in tens of billions of pounds.

My biggest fear of all is that this Queen's Speech was not concerned about the future of the economy. It was a thin, sparse, cut-and-run Queen's Speech from a Government who think that they have got their lines against the Conservatives bottomed out, and now want to play politics with the misery of millions of people as we head into a very deep recession.

7.38 pm

Mrs. Anne McGuire (Stirling) (Lab): Thank you, Mr. Deputy Speaker, for giving me this opportunity to take part in today's debate. I am pleased to follow the hon. Member for Dundee, East (Stewart Hosie), although he will not be surprised to hear that I disagreed with most of his analysis, most of his proposed outcomes and most of his politics. However, it was a pleasure to listen to him.

This is my first Back-Bench speech since 1998, when I first became a Government Minister. I was a new MP for only a relatively short period of time before being catapulted into the Government Whips Office, so I did not have time to brush up on my technique; I feel as though I am among experts here, and I hope that colleagues and other Members of the House will understand.

A lot has changed since 1998—not least the fact that, until recently, we had enjoyed one of the most consistent periods of growth and increasing wealth for generations. It is little wonder, therefore, that people in the UK have been startled by the recent turn of events. However, the greatest shock for many of us was not what was happening in America, but what was happening here in Britain, under our own noses. A British banking system had built its reputation over hundreds of years on prudence and propriety. Having been found out, it had apparently abandoned those principles and indulged in some of the most spectacular examples of speculation and risk.

In Scotland, we were stunned to learn that our two iconic financial institutions, the Royal Bank of Scotland and Halifax Bank of Scotland, had not only been indulging in the same practices but, in doing so, had put their customers, shareholders and work forces—and indeed the banks themselves—in serious jeopardy. The Chancellor should be congratulated on the comprehensive action that he took. If it had been left to a so-called separate Scotland, as envisaged by some of my colleagues in the House, the banks in Scotland would have gone under because Scotland would not have been able to afford to bail them out.

John Mason (Glasgow, East) (SNP): Will the right hon. Lady give way?

Mrs. McGuire: No.

The business model proposed by the Scottish National party was the arc of prosperity consisting of Iceland, Norway and Ireland. If Members wish to make comparisons between Iceland and Ireland—and, indeed, to discuss Norway and what has happened to its oil fund—we should have a debate on the subject, even if we do not have it tonight. I do not want to talk about banking, however. I want to talk about maintaining the momentum of welfare reform, and making jobs and employment support available to those who need them most—those who have often been abandoned to live on benefits, either ignored or written off as being unable to make any contribution to the world of work.

I know that, in a period of economic uncertainty and increasing unemployment, it is sometimes felt that we should not continue to invest in those who are most distant from the labour market, but I hold the opposite view. It was abandoning people on incapacity benefit during the 1980s and 1990s that left good folk all over the country on a benefits scrap heap with no support and little prospect of building up or maintaining the skills and experience that they needed, or—in some cases more important—maintaining the motivation that could return them to the world of work. That aspect would be understood by my right hon. Friend the Member for Birkenhead (Mr. Field). It involves not just motivation, but maintaining the discipline of getting up in the morning.

In the late 1990s, we had to take up a challenge. For many individuals, families and communities, work was an alien concept because the necessary support had not been provided. That is why I welcome the ideas in the White Paper that will form the basis of the legislation outlined in the Queen's Speech. We have seen a transformation in the welfare state over the past 10 years. We have seen developments underpinned by the strengthening and deepening of our anti-discrimination legislation, not least in regard to disability.

Over those same years, we have seen a greater focus on reducing welfare dependency. My right hon. Friend the Member for Birkenhead may be cynical about parts of it, but it should be recognised that some of the work done through our welfare to work programmes has brought more single parents on to the labour market, making a real impact on child poverty. It has also encouraged older people to retrain for different kinds of work, and helped more disabled people into jobs.

However, there are still some who have been left behind. More than 2 million people are on incapacity benefit—people with long-term health conditions or disabilities, who all too often are judged on the basis of their disabilities rather than their abilities. Like the Secretary of State, I believe that no one should be left out or written off, and that approach is recognised by many welfare organisations representing disabled people which have voiced their opinions on the proposals. They have some problems with the details, but they generally accept the underpinning principle that no one should be written off. I hope that the Secretary of State was pleased to note the comments of the Royal Society for Disability and Rehabilitation—RADAR—on the "right to control" proposals in the White Paper.

The real difference of opinion is on whether, in return for the increased community, society has the right initially to encourage people but ultimately to insist that they take up the opportunities that exist, and on whether, if they refuse for no apparent good reason, they should be able to do that without consequences. I understand many of those concerns. The legacy of welfare reform in this country is based on the experience of many people during the 1980s and 1990s, an experience of cuts and the demonising of people on benefits. That is why I welcomed the Secretary of State's clear assurance in his statement last week that his welfare reform programme was about rebalancing the rights and responsibilities of the state and the individual, and emphasising that the state, as well as the individual, has responsibilities.

It is important that those receiving incapacity benefit are not abandoned to a life of inactivity as a result of the tyranny of the sick line which states "unfit for work". Many people are not unfit for work, but unfit for the kind of work that they have been doing. If Members truly believe that work is good for us and that it is the best way out of poverty, why do we not encourage all people to consider all the options and opportunities? Why should we, as a society, make people feel that they have no further contribution to make to the world of work?

There are people who are now in work because of the intervention of the new pathways to work approach. According to that approach, we cannot impose a template on our welfare system, and must understand that in the case of those who have been out of work for many years a range of issues should be taken into account. I was delighted when the Secretary of State described the breadth of the investment that he was prepared to make in people, rather than casting aside those who needed the greatest investment. I hope that his words will give some comfort to organisations that fear that this is all about benefit cuts rather than support.

Conditionality means more than just cutting the benefit at the end of the line. It is about investment, and the investment highlighted by the Secretary of State in the access to work programme is a tremendous example of

[Mrs. McGuire]

the way in which the investment of resources can enable people to go out to work. Labour Members should take great pride in the fact that the resources in that programme have increased more than four times since the Government came to power, and are set to double again. However, we must recognise that there are great gaps in our provision. There is no easy access to rehabilitation: people often cannot obtain the support that they need when they need it, so that they can make a full recovery and return to employment. What happens to people if they cannot obtain advice quickly?

The Labour party was built on a philosophy of fairness, but the philosophy also recognises that alongside fairness, we—as a society, as individuals and as a community—have rights and responsibilities. I believe that our welfare reform programme balances those rights and responsibilities, and I am delighted that it has been included in the Queen's Speech.

7.48 pm

Dr. William McCrea (South Antrim) (DUP): It is a pleasure to follow the right hon. Member for Stirling (Mrs. McGuire). She made a thoughtful speech which is worthy of careful consideration. It was preceded by—as usual—an excellent speech from the right hon. Member for Birkenhead (Mr. Field), who has a tremendous passion for the issue of welfare reform and a great deal of personal knowledge of it.

There is much to be welcomed in the welfare reform programme, and it is important for us to deal with it in the context of today's wide-ranging debate on the economy, pensions and welfare. We need to realise that there are those who genuinely wish to obtain work, and that it is important to enable people to get back to work or into work. Our problem is the number of job losses throughout the country as we enter the depths of a recession. It will be difficult to get people into work if the jobs are not there for them, and that is another challenge for us to face.

We must also bear in mind that there are those who do not want to get into work; we should be honest about the fact that there are those in society who desire to remain on benefits because they receive less for going out to work than they do from being on benefits. We must look into that, and the Government must tackle it, because it is vital that every person who is capable of working is given the opportunity to do so—and, indeed, is encouraged to do so, as it is very good for those people personally and for their families that they have gainful employment and therefore a reason to get up in the morning.

The hon. Member for Gosport (Sir Peter Viggers) said that society has two problems in that we are both overtaxed and over-governed. I have much sympathy with that point of view. I certainly believe that we are overtaxed, and many of those taxes are indirect taxes that are slipped in—they come in unawares. Our constituents loathe such indirect taxation, whereas direct taxation is open and lends itself to being debated. We are also over-governed; business and society are over-laden with bureaucracy. That is another issue that a Government of whatever political hue must tackle.

I want to focus in the remainder of my speech on the economy. It is true that many of our citizens in the UK have enjoyed prosperity and good times. However, we are now facing a situation of crisis proportions, and it is a situation that is deteriorating. The economic challenges we face are perhaps tougher than any previous such challenges, and the younger generation have certainly never experienced a similar situation. The credit crunch and recession are realities, and it is true that worldwide influences have played a part in that recession. Job losses are also a reality, as are fear and concern within communities. We are, therefore, facing tough economic circumstances, and many fear that we are facing a very deep recession. Although it is true that the situation has evolved and worldwide global pressures are placed on us all and on Government, the Government must also accept their responsibility. Responsibility can be shared, but accountability must be accepted by those who are in authority over us. At such times of crisis, therefore, people look to Government to give them a very definite lead.

I listened with interest to the advice of the hon. Member for Louth and Horncastle (Sir Peter Tapsell). He talked about the knockabout debate that goes on in the political arena, and he encouraged us to take our debates beyond that. In listening to this debate, I have heard Members of different parties claim that the Prime Minister or the Chancellor said this and that the Leader of the Opposition or the shadow Chancellor said that—and Members will then refer back to the paper record of events and find out what they actually said. Where does that take us? We are facing a very serious situation and the long-term economic prosperity of our country is at stake. Therefore, we must ensure that the steps that are taken go towards solving the current situation and laying a solid foundation for the future prosperity of our people.

I have spoken twice on the measures that have been taken: in an intervention in a recent debate, when I asked the Chancellor a question; and during Prime Minister's questions last week, when I asked about the banks' situation and encouraged the banks to pass on the cuts in the cost of borrowing to both their domestic and business customers. Many small and medium-sized businesses are facing a financial crisis, and some are going to the wall. They are going bust not because the basis of those businesses is not good and their plans are not solid, but because they do not have the financial wherewithal to progress their business and face the challenges of this particular time. Therefore, we once again ask the Government to take further steps to ensure that our banks, which have been saved by the taxpayer, pass on the interest rate cuts. I trust that the Chancellor and the Prime Minister will do that.

In Northern Ireland, there is also a situation involving the Presbyterian Mutual Society. The Government should work closely with Arlene Foster, Minister of Enterprise, Trade and Investment in Northern Ireland, to protect fully the millions of pounds belonging to Northern Ireland savers that were lodged with that society. Therefore, I once again encourage the Government to ensure the availability of bank credit. That has not been made available in the way we should be able to expect by the banks that have been bailed out by the taxpayer. This is the biggest single issue affecting businesses, and I trust that the Government can persuade—and, if necessary,

force—the banks back to more normal lending. That would be of benefit to our economy. Also, although the decision to cut VAT by 2.5 per cent. was one way of passing money into people's hands, we will have to wait and see whether the people spend it.

We must rebuild confidence. There must be openness and frankness in this debate. There are two sides to that. There must be openness concerning the fiscal stimulus, because any such stimulus will have to be paid for; that is the reality. However, it is also reality that if there is not a fiscal stimulus, there will have to be cuts. We had better be open, therefore, and I believe we need to lead from the front within the community. There must be openness and frankness. There is no single bullet; we must employ all our talents together. I appeal for a collective wisdom from across the House to ensure that we do what is best and what is in the interests of long-term stability, by facing the present challenges while building for the future prosperity of our people.

7.58 pm

Mr. James Plaskitt (Warwick and Leamington) (Lab): In this debate so far, every Member who has spoken on the economy has touched on the issue of banking and the need to stabilise the banking system. We have heard broad support for that from across the Chamber. I, too, want to focus on banking, but to go one step further than just thinking about the banking system in our own country. I want to look at some of the root causes that led to the current problems in the banking system not just here, but across the world.

When my right hon. Friend the Prime Minister was in the Chamber reporting back to the House on the G20 meeting he attended, he referred to fundamental reform of the supervision of the financial system, and we understand that G20 teams are working on a series of papers to turn that into reality, which will be presented to the G20 at its next meeting in March. I welcome the fact that work is being done on the international regulation of banking, but I have some concerns that the timetable for that work to be done is extremely rapid while the issues that need to be grappled with are truly huge. The slight risk is that we might achieve only marginal change, whereas, on the evidence of what has just happened, the situation suggests that we need to go much further.

My right hon. Friend also referred in discussing these matters to "revising the Basel accords", and I want to take a moment to look at the Basel system. When what is now called the Basel II system was agreed in 2004, it was launched in glowing terms and it was said that

> "the revised framework will promote the adoption of stronger risk management practices in the banking industry".

That claim now seems very hollow indeed. The Basel II agreement was a replacement for the original Basel agreement, which had proved to be not up to the job. However, I am afraid that, after a decade of negotiation, Basel II, which has been launched relatively recently and is only just beginning to come into effect, is already dead on arrival. The sub-prime crisis has shown that the model envisaged in Basel II is already inadequate and therefore beyond tinkering with. If we are really to address the problems in the international banking system, we need to look for something with much more substance than that.

We can see now that the Basel system displays a significant number of weaknesses. First, it comprises what has been described as "soft law". In other words, it is in no way legally binding. Its status is not even permanent: there are no permanent staff behind it to support it. The second major weakness of the Basel approach is that it is not at all about compliance; it is only about supervision. Nor does even Basel II—the so-called strengthened version—address at all the issue of systemic risk. In fact, it very much reflects the G10 banking culture that dominated all the negotiations that led up to the agreement. That culture is not relevant to the many parts of the international banking system that are now caught up in the consequences of what is unfolding.

The real problem is that the Basel system depends on more than 100 different national regulators. Here, the Financial Services Authority is the first to interpret and then to apply the guidance given in Basel. The system's other weakness is that it concentrates almost entirely on the issue of capital requirements, which was also an obsession throughout the decade of discussion that led up to the eventual agreement. It says very little—in some cases, nothing at all—about the problems of banking liquidity, about leveraging, about reputational issues or about the use of off-balance-sheet activities. Yet, as we have seen, those are some of the major faults in the system that have given rise to the current problems.

Most of the difficulties that I see in the Basel II system—this is why I suggest that it needs fundamental reform, rather than mere amendment—rest essentially on internal risk-basing. That was the absolute principle that the banks demanded throughout all the negotiations, and that Governments in the end conceded. However, there are four main problems with internal risk-basing, which are now painfully apparent after what has happened. First, it allows banks with complex risk-taking models to select their capital adequacy levels from a range of options. Secondly, it allows banks to use their own measures to determine the degree to which they are exposed to risk. Thirdly, it allows banks to allocate their own risk-weighting to their assets, including those that are off balance sheet. Fourthly, it allows banks to use their own estimates of the probability of any one of their assets going into default.

What are the consequences of such a system, based as it is on internal, risk-based assessment? The system says that it is fine to reduce capital charges on what it declares to be lower-risk lending. What example of lower-risk lending does it cite? It cites residential mortgages. Well, we have seen the consequences of doing that. We saw another consequence when Adam Applegarth appeared before our Treasury Select Committee. He said that it was Basel II compliance that suggested to him that it was fine for the Northern Rock bank to increase its dividend, rather than shore up its levels of capital.

As I said, Basel II has only soft-law guidance—nothing harder than that—which has been shown to be wanting in the conditions that we now face. Basel II therefore displays fundamental weaknesses in terms of a system of governance or regulation of international banking, which is now what we are seeking. In truth, what we have is a global financial structure supervised by a balkanised system of regulation. That is, and is always going to be, an unequal struggle, and international standards will always come off worse in that conflict.

[Mr. James Plaskitt]

That is the situation that we are in, and I am afraid that that system will result in a race to the bottom in terms of in-country regulation, because regard for national competitive advantage will always trump regulatory concerns in those circumstances. We have seen, through the negotiations that led up to Basel II and the way in which it has been applied in the last year or so, that Governments in the end generally cave in to the banks' demands, because that architecture allows the banks to use the "going offshore" threat that resonates so much with Governments.

So the question is: if the G20 is looking again at the Basel agreement and is working on proposals for the spring of next year, what do we need to do to put in place a system that is appropriate for the challenges that we face, and which can move beyond the platform that Basel II itself presents? What we really need is regulation or supervision on the scale of that which we are trying to regulate or supervise; that is the imbalance that must surely be corrected. The logic of that points to a very different approach from the current one. The gaps that need to be filled are fairly obvious. We must have a system that addresses systemic risk.

Banks can now prove beyond all doubt that some of them—many of them—are too big to fail. The underwriting that Governments have now put in place, which was of course the right thing to do, has introduced what is called "shadow equity" into the system, and with it a potential moral hazard. However, because it is there, I see it as giving Governments the right to insist, if we are taking forward a new model, on some global minimum standards of regulation that must apply across the international system. Those must go beyond simply the issue of capital adequacy. We have got to address liquidity, leveraging, securitisation, off-balance-sheet activity, accountancy standards and incentive structures, and we must have early-warning devices. At the moment, Governments around the world rescuing their banks have the upper hand in this argument, but as time passes the terms of trade may shift back towards the banks and away from Governments.

The hard truth is that if we are not to revisit this situation at some future time, we need some pooling of regulatory sovereignty, giving powers to an international supervisory or regulatory body that is on an appropriate scale to supervise or regulate that which needs to be regulated.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Before I call the next Member to speak, let me say that a large number of Members are seeking to catch my eye. It would be most helpful if Members took less than their allotted 10 minutes; then, I will try to call as many Members as I can.

8.8 pm

Mr. Robert Syms (Poole) (Con): First, I declare my interest in the Register of Members' Interests: I am a director of a family property and building company.

We live in difficult, almost uncharted times, and I am not sure that we have the solutions to what will be a difficult few years ahead. Ours is an open, liberal economy with a very large financial sector that benefits and has benefited us and has created lots of very well-paid jobs. That means that we will be affected by what happens worldwide. However, it is also legitimate to say that there are signs that we have gone into a difficult period rather less prepared than we could have been. A lot of that goes back to one of the first decisions that this Government made, which was to give independence to the Bank of England. Two things then occurred: the Financial Services Authority was set up to regulate banking; and a lot of the big disasters occurred under that system, which has also given us occupational pensions, the Equitable Life situation and the various other things that have gone wrong in the past few years.

I rather think that the previous system, in which the Bank of England regulated the City, was better. I remember that there was a banking crisis when I left school in 1973 or 1974, when many secondary banks went out of business. Slater Walker had problems. Several other banks went out of a business, a lifeboat was formed and the banks sorted the problem out before it became a major one. Changing from a rather more informal system, whereby there was a flow of information, to a much more formal clipboard-type of system has not worked that well. I am aware that the City is a far larger and more international organisation than it once was, but I cannot help feeling that the FSA's watch has not been a good one.

The other relevant issue is the independence of the Bank in setting interest rates. On the whole, that has received plaudits over the past decade, but I begin to wonder whether the Bank's independence and its setting interest rates has done us any great favours, given that we now have one of the biggest financial busts. I say that because it is clear that there should have been a squeeze and higher interest rates rather earlier. When 120 per cent. mortgages are available, when people are borrowing four or five times their income, when the house-price boom is clearly unsustainable and when first-time buyers cannot get into the market, that is bound to have an inflationary impact on the economy. Therefore, the Bank of England should have acted earlier.

Against that backdrop, it was a little foolish of the Government to continue spending up as they have. The profile of our tax receipts—a lot is City-related and a lot is housing-related—means that they should have done what the Germans did: run a fiscal surplus. One of the reasons we are going to find things very rough and why our room for manoeuvre is rather more limited is because we spent. The Government argue that they spent on schools, hospitals and so on. There were many good things that the money was spent on, but given the rough weather that we have encountered, their decision was foolish and it means that they are far more limited in what they can do.

We have had some discussion about whether the VAT changes will make a lot of difference, and set against the discounting in the high street, I am somewhat sceptical that they will. Indeed, many businesses are finding that there are quite a lot of costs attached to altering VAT. Poole borough council, among others—indeed, all the local authorities that we represent—has spent quite a lot of money making the necessary alterations.

The most important thing is that we deal with the credit markets and with the banking system, because credit still is not flowing. I commend the proposal of

my hon. Friend the Member for Tatton (Mr. Osborne), because we must get credit flowing to businesses. If credit does not flow to businesses, either through banks or through some support for lending, no matter what the Government do we will have a sharp downturn that will result in very high unemployment.

I am sceptical about the VAT measures, but if the Government are serious about achieving a fiscal stimulus, they could do a lot worse than to start building some council housing. There is a need for housing, there are a lot of unemployed building workers and land is available because the private sector is building almost nothing. That would be a logical sector in which to provide a stimulus and it would leave a lasting legacy, as opposed to opting for a temporary VAT cut, which will not do what the Government want it to do.

There may be an argument for a fiscal stimulus, but what the Government are doing will not have the impact that they hope. As we all know, the difference between Government spending and tax revenues are two very large figures. If the Government are being a little optimistic about the outlook and the profile of this recession, the real figure might be rather larger than 8 per cent of gross domestic product in terms of debt and we would start to get into areas of difficulty. The right hon. Member for Birkenhead (Mr. Field) warned about inflation, and I agree. In particular, if the pound is very soggy, we will import quite a lot of inflation and will end up with higher rates of inflation and a downturn—classic stagflation—which would be very difficult indeed.

Like many Members, I have constituency cases. Some of the people I see who still have housing problems are those who were affected by the downturn under the previous Conservative Government and who perhaps lost their homes because of negative equity—that has a long-term difficult effect. One of the major changes in the British economy is that individuals carry a substantial amount of debt on their credit cards and mortgages—rather more than they might have done 10, 20 or 30 years ago. My real fear is that if unemployment increases beyond 2 million and towards 3 million, many of the people who lose their jobs will be carrying very heavy debts and will find that their long-term prospects are difficult. I welcome what the Government have announced on assistance with mortgages. It will be very valuable, because the long-term impact on many families who lose their jobs and find themselves with major debts against the home or against credit cards when they expected to have a major income will be horrific.

What has happened in the global markets is that a lot of wealth has simply disappeared, because people do not know what many of the debts that banks hold are worth and there is no confidence within the market. That cannot wholly be filled by Governments, and a major adjustment will have to be made. The head of Barclays was probably right today when he talked about house prices falling by 30 per cent., and the sooner prices fall so that we can get to the bottom of the market, the better it will be in terms of the economy's starting to readjust.

One relevant factor is that whereas years ago first-time buyers used to get into the market at about 26, in recent years they have done so at 34 or 35. That is partly because of high house prices, but it is partly because of lifestyle choices—people getting married later and wanting to travel more; they want to go to Kathmandu and so on. When we get to a point where both the housing market adjusts to a lower level and those many young people are feeling more secure in their jobs because they have survived a wave of unemployment, there will be the prospect of people getting back into the housing market and our getting back to a more regular, sensible rolling housing market again. There is some hope, but the housing market has been distorted. A world in which the City paid out bonuses last year of £16 billion and where Russian billionaires buy properties in Chelsea has lifted a lot of the housing market in the south-east. Simply because people will not receive that level of bonuses in the next two or three years, the housing market will have to find a bottom. That will come when first-time buyers do what people have always done—get married and want to buy homes. I hope that the adjustment in the market is quick and that we get back to a more organised market, rather than have a slow fall, and it looks like that is happening.

We have a very unusual recession. People have benefited over the past few years, because as house prices have increased they have been able to withdraw equity for homes, cars, holidays and sometimes for their businesses, but now we have reverse of that process. It will be very painful for those who lose their jobs—we hope that there will not be too many of them—and for all of us in dealing with the consequences of this very serious situation. I commend the proposals of my hon. Friend the Member for Tatton. I fear the worst, but hope for the best.

8.17 pm

Harry Cohen (Leyton and Wanstead) (Lab): First, let me say a word about Afghanistan, because it feeds into this debate. It looks like we are going to commit more troops, and I say do not do it. Since the invasion of Iraq there has been a catalogue of failure, and we cannot really carry on as though the missed opportunity has not been missed, because it has. We are losing the hearts and minds of a growing number of the population, mainly because of the random bombing of civilians by our US allies. There has also been a chronic failure in terms of development, because infant mortality has risen—War Child's October report talked of a quarter of children dying before their fifth birthday, and that is the third highest level in the world—and the UN development ranking gives only three countries a lower ranking. We cannot afford an unproductive war such as this. Joseph Stiglitz's book called it "The Three Trillion Dollar War". That figure is likely to increase if we go down this path. Given the figures that the Select Committee on Defence has produced, and the cost trends and the extra troops, it is likely to be £5 billion a year, and we cannot afford that.

This situation is compared with the 1920s and 1930s, and it is said that the war got the world out of the slump. That is a misreading, because at the end there was greater debt, massive asset destruction and countries were devastated. That took a long time to pay off, and there was a continuation of rationing. What is relevant is that the 1929 great crash also came from unbridled, uncontrolled capitalism. It led to a depression, massive unemployment, misery and hardship for millions, and from there, social upheaval and fascism. Fascism promoted rearmament, which put people back to work, but for conflict.

Elsewhere, the lesson came from Keynes and Roosevelt that government can maintain employment by public works and the welfare state, but admittedly at a cost of

[Harry Cohen]

increased borrowing and debt. However, it is not unreasonable to do that. In fact, it is essential. Local authorities built swimming pools, parks and halls, all paid for over 60 years, and it is okay that those benefiting from them years into the future pay towards them. So, it is not a case of putting future generations into hock.

I am not opposed to a fiscal stimulus, and I think that the VAT cut was a clear signal to encourage trading. It is certainly more appropriate in this context than what the Tories propose—a council tax cut, which is irrelevant in this context. There needs to be more money for those on low incomes and on pensions, but the emphasis should be on capital programmes such as transport infrastructure, new schools, the NHS and new homes. The role of local authorities should be boosted, particularly in building new homes—the point has been made about council houses.

It was right to take a stake in the banks, particularly the commercial banks, to provide stability and to implement our essential socio-economic agenda of getting funds to small businesses and home owners, but regulation needs to be substantially improved. There is no clearer example of that than today's story of Madoff, with his $33 billion fraud. The City of London is grossly inadequate in these terms. I wrote to the City at the time of the events involving Conrad Black and said, "You wouldn't have got a prosecution in this country, the way you are operating." Amazingly, the US is better than the City of London at getting prosecutions. I have not had a reply from the City.

The Tories are still against regulation; their party wants the light touch, or no regulation, that brought us into this mess in the first place. The Tories use the level of debt and borrowing as a political argument to do nothing—laissez-faire economics—but it also goes further: it is the basis of a political position that says for the well-off, "Our share of the cake, whatever it is, is more important than maintaining or having a larger cake overall." That is an argument for inequality and it writes off a large chunk of the population as victims of unemployment or other aspects of the recession. The Tories leave them abandoned.

There has been overdependence on financial services in the UK, but that has been made worse by the profiteers and speculators thinking of themselves as the lords of the universe who should not be subject to regulation because they are the wealth producers. That is combined with the Chicago school Friedmanites, who are determined, as an ideological doctrine, to eliminate and privatise the state. Naomi Klein has described that very well in her book, "The Shock Doctrine". The Tories have been the cheerleaders for both those schools of thought, and they have not changed.

For the future, we need more emphasis on productive industry and less on financial services. The emphasis should be rebalanced that way. The bankers have been saved, but Woolworths staff have not. That is unfair. We must have an industrial strategy that protects productive jobs. We need control over who makes credit and in what way. The Government cannot abrogate that matter and give it to the private sector in an uncontrolled way. There needs to be tight control of fancy financial vehicles such as derivatives, which end up worthless. There needs to be accountability and transparency, including of offshore transactions. The state has to be the basis of stability and the guardian of the public interest. That cannot be left to the private market and its free-for-all, fraud and failure. Taxpayers must get their money back whenever the banks renew profitability. There must be no swift return to the privatisation of all profits. I say this: taxpayers are more likely to get their money back with Labour than with the Tories.

The Bank of England recently estimated global bank losses at £2.8 trillion. The banks clearly need time for write-offs and state investment is buying that time. In the process, savings and shareholdings are saved from being at zero value, or worthless. It is appropriate for that to apply to the commercial banks—alongside, I might add, tighter regulation, an end to the bonus culture, requirements for them to do their job properly and a shift-out of the top level failures—but I am not convinced that it is so appropriate for the investment banks and hedge funds. By the way, Roosevelt did not want anything to do with them and would not make them legal.

A principal factor about which I am concerned is the pension funds that those investment banks and hedge funds hold. They have been rendered worthless, but those institutions also have them at the end of the queue for payment. The state could take them over at what they are worth now, and then enhance them. Savings could be protected by the scheme that is in place already. However, we could let the rest of the banks—those investment banks and hedge funds—go down. It could be cheaper and fairer in the long term and it would remove that worthless, stultifying debt from the system, thereby allowing the chance for new capital to emerge. Those banks should look to their previous managers and owners in the courts to recoup their losses.

Those are my feelings on the way forward.

8.26 pm

Alistair Burt (North-East Bedfordshire) (Con): It is always a pleasure to listen to the hon. Member for Leyton and Wanstead (Harry Cohen), even if we do not follow all his arguments all the time. Bearing in mind what he said, I wonder how he managed to sit on his hands over the last 10 years, as the very rich became even richer under his Government. No doubt he has an answer, and a charming one, as always.

Just as a dog will ultimately take on the characteristics of its owner, or vice versa, a Queen's Speech tells us something of the character of a Government. A tired and rather thin Queen's Speech tells us a little about a weary animal that simply wants to pack up and go home to the fire. The rationale for this Government left when Tony Blair walked out of the door, and since then the Labour party has struggled to convince anyone that it had any intention of doing anything in government except be there to keep the Tories out. I must admit that that has a Machiavellian logic to it, but it probably is not what the public are looking for.

Before I comment on the subject of today's debate, may I make a couple of brief remarks on other matters in the Queen's Speech? The snappily named Local Democracy, Economic Development and Construction Bill legislates for, among other things, the transfer of planning powers from the unelected regional assemblies

to unelected regional development agencies. I have not met anyone connected with regional development agencies who wants those powers. They see them as a poisoned chalice and a way for the Government to get out of their failed regionalisation policy. I hope that the Bill perishes either in the Lords or here.

The policing, crime reduction and airport security Bill will, among other things, finally provide coherence in the provision and costing of airport security, but not before some £2 million has been lost to Bedfordshire police due to the Government's decision four years ago to cut expenditure on Luton airport—a major national port of entry and departure with obvious security interests. The Government's inexplicable decision to cut the funding and ask Bedfordshire police to take up more of the burden has increased costs for a hard-pressed police authority. A lot could have been done with that £2 million, and I hope that during the passage of the Bill an amendment will be carried that provides a suitable vehicle to repay that cost.

Although the Government's continuing efforts on welfare reform are belated, they are to be commended. The Government seem to be accepting some of the analysis that my Opposition colleagues advance consistently, and which Labour Members, most notably the right hon. Member for Birkenhead (Mr. Field), occasionally mention. As a former Minister for disabled people, I welcome the improvements to the access to work scheme. Those improvements, as well as the improvements to ensure that those with disabilities have rather more control over their own lives, follow the path laid down so well by Sir Nicholas Scott during his tenure in that important post. I am pleased to see those developments continued by the Government.

Two further points on welfare reform are worth mentioning. First, any social welfare reform now carried forward without being fully informed by the work of my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) and his Centre for Social Justice will be off track. His comprehensive pulling together of so much statistical information on our damaged communities has done much to mould opinion in recent years and to help us recognise that attempts to move people from benefits into work and to promote economic independence cannot achieve success unless they are accompanied by an understanding of the extent of family and relationship breakdown and of its impact on communities.

Any time spent with those who work on the front line of a country that now exhibits clear signs of social apartheid suggests that while a fortune is spent on the consequences of family and relationship breakdown, too little is spent on supporting relationship structures in the first place and trying to prevent their breakdown later, particularly when children are involved. As recent court cases have further revealed the depth of that brokenness, we need somehow to find national consensus on tackling a problem that will last, Government in, Government out, over the next 50 years. I suggest that my right hon. Friend's work provides an excellent basis for that.

Secondly, I would be interested in seeing an amendment made to the welfare reform Bill. When I visited a community furniture re-use project in my constituency recently, the organiser raised the issue of community care grants. The project deals with a number of clients with addiction issues. When community care grants are paid in cash, there is an understandable temptation and risk that they will not be used for the purpose intended. My local project has suggested to the regional Jobcentre Plus that vouchers should be given rather than cash, and those involved in the project believe that vouchers are in use in some parts of the country. The response from the regional Jobcentre Plus was that to give cash to some individuals and not to others would be rather unfair.

During the passage of the Bill, I wonder whether the Government might consider running some more pilot projects, relegating the concept of "fairness" and giving preference to an understanding of the individual needs of a client. Individual decision making on whether to give money or a voucher to someone who is addicted might require them to be given a voucher, which would be better all round. I would be grateful if the Government could think about that.

Finally, let me move on to the economy. It is clear from many speeches made by Members of all parties that, whatever the intentions of the Government and Whitehall, the financial injection into the banks is not getting through as we would have intended. The chamber of trade in Biggleswade tells me that banks are approaching business customers to tell them that even as base rates are reduced, they are holding businesses to the rates of interest on their loans or credit facilities that were originally agreed. There is a widespread belief, notably shared by the right hon. Member for Birkenhead, that little has been added through the £12.5 billion spent on VAT reduction. Most constituents are aware of price reductions elsewhere, as businesses adopt the traditional practice of dropping the price to sell the goods.

There is a further pressure affecting recession in areas such as North-East Bedfordshire. Earmarked for significant building in the future, the area has now a large number of building schemes that are now at best on hold or might be shelved. In addition to the schemes, the section 106 funding that goes with them has been taken into account in the local authorities' plans. If the section 106 plans fall foul of the economy's collapse, the agreements will either be renegotiated or lost and local authorities will find themselves looking for new money to fulfil promises that they have already made to the community. Under the straitened circumstances that they are in, they will be unable to do so. That will put further pressure, which is currently rather underrated, on local economies.

The Government's attitude to the fall in the exchange rate is puzzling. I have twice attempted to ask both the Prime Minister and the Chancellor of the Exchequer what they believe the reasons to be for the fall in the value of sterling over the past few months. My questions, and those of others, are now met by a standard reply, which is that the Government do not give a "running commentary" on the value of the exchange rate. That is not what we are asking for. Asking for an explanation of what has happened is not the same as asking for a running commentary on what is happening now or might happen tomorrow. The now Prime Minister worked that out when he was shadow Chancellor, when he said that a weak currency was evidence of a weak Government. The probity of asking about the value of exchange rates did not worry him then.

[Alistair Burt]

There are three answers to the question. The first is to say that the world has got things completely wrong, that it is misjudging our economy and that everything is dandy. To say that while praising the rest of the world for ostensibly following what the Government are doing would put the Government into difficulties, so that answer is not given. The second answer to the question of what has happened to the exchange rates is that there has been a snap answer to a series of sudden problems in the British economy; things will pick up next year and people will realise that they have made a mistake. That is not a bad answer, but it indicates that there are some problems at present, so it is not an answer the Government give. The third answer is that the world is completely right: we are in a total Horlicks, the judgment is correct and we are very sorry. That is the right answer, but again it is unlikely to be given. Any of those three answers would be better, however, than simply saying, "We are not giving a running commentary." Perhaps the Minister who replies to the debate might be given the opportunity to answer the question.

As a nation, as individuals or as a people, the answer to the economic crisis cannot be that we should just go back to where we were. We cannot ask people to return to over-borrowing, not saving and being offered money that they cannot afford to take. They must not be urged to buy things they cannot afford. Consumerism as the answer cannot be where we want to put people after all this is over. Whatever reflections there are after the recession, one of them will surely be to try to understand that the concept "enough" should mean more to us than the concept "more". At some stage, we shall have to face that as a nation, rather than being asked to go through this whole cycle again.

8.35 pm

Lyn Brown (West Ham) (Lab): I shall consider some of the means that we need to adopt if we are to eliminate child poverty in the United Kingdom by 2020, ensuring that the Government's ambitious aim becomes a reality for the people on low incomes whom I represent. The Government are rightly proud of their progress in tackling child poverty thus far, but I fear that in the capital there is still much to do. At present, one in four of London's children live in poverty, almost twice the national average: 650,000 children—a figure equivalent to the entire population of Sheffield.

London is a wealthy city, but that wealth and strength is in massive contrast to the entrenched pockets of deprivation that can be found across the capital. To achieve the child poverty target, co-ordinated cross-departmental action is required. We need a London strategy if we are to reach our target, as the capital faces a unique set of challenges: high rates of worklessness, staggeringly high housing costs and a relatively low skills base. Additional challenges are posed by a highly transient population—transient through necessity, not choice.

The national minimum wage has had a real impact on reducing child poverty across the country. It was a just and morally right policy to pursue and has resulted in positive advancement for many workers and families. However, I fear that the national minimum wage has not had the same impact for Londoners. Many of my constituents work their guts out for the minimum wage, which is peanuts in an area where the costs of housing, day-to-day essentials and child care are so very high.

The notional hourly rate of the London living wage is £7.45, but at present about 10 per cent. of full-time workers and a massive 45 per cent. of part-time workers do not receive that rate. The issue needs to be addressed. My next point will be controversial, but we need a debate on whether we should consider the introduction of regional differentiation in the minimum wage to address the needs of the capital. Wage rates matter when we are trying to deal with poverty.

I listened with great interest to the contribution of my right hon. Friend the Member for Croydon, North (Malcolm Wicks). I represent constituents in a borough where the challenge from long-term worklessness, ill health and disability is as entrenched as anywhere in the country. Nearly 7,000 people in my borough have been receiving incapacity benefit for more than five years, and 4,710 receive IB as a result of mental disorders. It is right to remind the House that Department for Work and Pensions research on the pathways to work pilot found that

"the most important factor in finding work was how health conditions were perceived and managed."

The research also found that the imposition of sanctions—not work per se—worsens existing health problems, provokes new mental health problems, has a worse impact on the most deprived and isolated people and rarely improves positive engagement:

"Pathways In-Work Support advisers commonly identified customers with mental health conditions, such as depression and anxiety or low self-confidence, as the most significant customer group".

That document goes on to describe a series of representative cases in which people have struggled to take on work, have been exhausted, panicked, and drained of confidence, and have sometimes failed. For those with physical health conditions, the dominant issue was managing to fulfil their work obligations without experiencing pain or worsening their health condition. It was reported that clients often develop mental health or emotional difficulties such as depression or low confidence as a result of their poor physical health and the impact on other aspects of their life.

I applaud the White Paper's support for a vision of personalised conditionality, matched by personalised support. I cannot emphasise too much the importance of cross-Government working to explore how we can integrate health, work and skills services for people with mental health conditions.

As I am sure that the majority of Members would agree, adequate, safe and affordable housing is essential for good mental health, and central to the fight against child poverty. The announcement of an £8 billion programme last summer to deliver 180,000 affordable homes has given hope to many young families. Families living in grossly overcrowded homes often fail to thrive. Many tensions are created and the children struggle to keep up at school.

I am concerned that the Mayor of London may prioritise public subsidy of low-cost home ownership projects. I accept that many families in my constituency aspire to become home owners in future, but Housing Corporation research shows that London has a surplus

of those projects, with almost 10,000 shared ownership properties standing empty in London because Londoners cannot afford to buy them and the banks will not lend on them. In monetary terms, that represents more than £600 million-worth of public investment currently doing nothing to help the homeless and overcrowded families who need it most.

While I am on the subject of overcrowding, I would like to remind the Government of the promise, made during the progress of the Housing and Regeneration Bill, to introduce secondary legislation to change the definition of overcrowding to a bedroom standard. The Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Hartlepool (Mr. Wright), committed to introducing such secondary legislation. Committee members were told that secondary legislation could be introduced in 2009. Well, 2009 is upon us.

Having encouraged the new Minister for Housing, who attends Cabinet, to act on overcrowding and home building, I urge her to assist the Government in their aim of poverty eradication. I also ask her not to consider any late amendments to the Bill that would downgrade the security enjoyed by council and housing association tenants. Stories in the press suggested that she might do that. Perhaps the stories were placed to bounce my right hon. Friend into backing plans to scrap secure and assured tenancies, but thankfully, the lady was not for bouncing. My hon. Friends and I were greatly reassured by her willingness to dismiss those back-door briefings as "speculation ... to put it mildly."

She has pushed back the publication of the housing reform Green Paper until next spring, and that shows that she has a grasp of the real issues to do with tenancies and worklessness.

John Hills's detailed research, published last year, made it clear that the reasons for disproportionate rates of worklessness among those in social housing are complex and manifold. Anyone who doubts that need only look at how much higher the rates of worklessness are among homeless families placed in non-secure, expensive temporary accommodation. Housing benefit often drives people further from the job market and deeper into the poverty trap. That is why I welcome the commitment by my right hon. Friend the Secretary of State for Work and Pensions to undertake a housing benefit review to look into the difficulties associated with the housing benefit taper. The consequences of no reform in that area will certainly have a negative impact on the Government's commitment to halving and then eradicating child poverty in London.

Before arriving in the Chamber today, I had an extremely productive meeting with the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Burnley (Kitty Ussher), in which we discussed that very issue. I am grateful to my hon. Friend for her time and her intelligent analysis of the extremely problematic issues. I am genuinely hopeful that a solution will be found to help families who cannot afford both to work and to keep a roof over their heads, and the heads of their children.

My contribution today has, of necessity, been short, and short contributions can mean that arguments are not fully developed. However, I hope that I have highlighted some of the challenges and complexities that will need to be addressed if we are to ensure that the Government meet their commitment to eradicating child poverty by 2020.

8.44 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): First, may I declare that I am an RBS pension holder—I hope to be paid a pension at some stage—and I hope that my NatWest overdraft will continue to be provided. More importantly, I do some work in the City, and I provide services to customers such as the World Bank and Scandinavian local government funding agencies, which are involved in the debt markets that I shall discuss.

I was pleased by the remarks of the hon. Member for Gosport (Sir Peter Viggers) about the attractions of pursuing the bad bank solution. There are strong arguments for pursuing that means of dealing with the difficulties in the financial markets, which may be more cost-effective than the routes pursued by the Government. I was taken with what the right hon. Member for Birkenhead (Mr. Field) said about the importance of the Government being cautious about the way in which they spend their money. What is happening is a bit like a hunter who has been disturbed in the middle of the night by a bear outside, and bravely jumps out and starts shooting in the dark, not entirely sure that they are going to hit the target, and in great danger of running out of ammunition by the time the time the bear is upon them. The Government have acted with great vigour and rigour, but unfortunately, they may not always have the right solution.

Bob Spink (Castle Point) (Ind): My hon. Friend is discussing the financial market, and he will be as concerned as I am about the Madoff swindle, which could cost HSBC and the Royal Bank of Scotland alone a sum approaching £1.1 billion. How will that impact on hedge funds, and what should the Government do about that right now?

Mr. Pelling: It is important that we debate that issue on the day on which the extent of the Madoff scandal and fraud has come to light. At over $50 billion, it is much bigger than the amount of the fiscal stimulus proposed by the Government. To provide confidence in the hedge fund industry in the UK—my hon. Friend is right to emphasise the fact that the crisis is attacking the financial industry here in London—it is important that proper work be done as a matter of urgency to audit hedge funds in the UK.

The Government try to make a great merit of the importance of fiscal stimulation. I strongly believe that the fiscal approach must be the premier approach compared with monetary policy, but fiscal stimulation must be more effective than the 5p reduction in VAT on the £2.35 price of a Costa coffee. The reduction in VAT to 15 per cent. has a minimal effect on the price of the coffee. Normally, one would expect to buy nine coffees before being given one free, but now one must be particularly hyper, consuming 47 cappuccinos at £2.30 each before seeing a tangible return on one's discounted morning pick-me-up. Perhaps that is what the Government meant by stimulating the economy.

Unfortunately, the figures that the Government face in the crisis are serious. Despite the determined way in which Ministers have acted since the crisis fell upon them in the autumn, someone was definitely asleep at

[Mr. Pelling]

the wheel when it came to regulation. UK bank assets more than doubled—up 125 per cent. in seven years—and one of our leading banking institutions had a leverage rate of 60:1. The Government make bold statements about the fact that it is their intention to ensure that the extent of lending in 2007 is maintained but, unfortunately, that is a quixotic aim, because it was the securities market—securitisation—that provided liquidity for the economy, and we must bear in mind the fact that over the past seven years, the amount of annual liquidity provided to the markets by UK securitisation rose from £13 billion to £257 billion, so £240 billion a year has gone out of the lending market as a result of the destruction of the securities market. We must acknowledge just how challenging the Government's task is. It is difficult to criticise the banks for not lending when one realises that they are in fact lending more, but the securities market has been destroyed, so what we as Members of Parliament see at constituency level is a huge contraction in the credit supply.

The Government need to think carefully about how they set about providing additional liquidity. I am disappointed by the announcement today by the Government that it is their intention to extend further Government guarantees for the public issuance of debt by banks. It must be remembered that British banks using the guarantee are issuing that debt at the equivalent of 1 per cent. more per year in interest rate costs than the equivalent LIBOR gilt yield rates.

That has the effect of greatly increasing the cost of that money to the Government. It would be better for them to secure funding for the UK banks 1 per cent. more cheaply through issuing gilts directly, and lending that money directly to the banks. That would give the Government greater control over the banks, which we as Members of Parliament crave, and would not allow the standing of Government debt to become so debased by being issued at the ridiculously high rate of LIBOR plus 90 basis points.

The sum of £250 billion is what the Government intend to allow the banks to borrow using the guarantee of Her Majesty's Government, but we could theoretically save 1 per cent. a year on that borrowing by deciding that that borrowing should be issued directly through gilts. Over the three-year period that these bonds are allowed to be issued, that would save a total of £2.5 billion, which could be better spent on schools or hospitals, or perhaps even paying for a minute part of a further recapitalisation of a bank. It must make sense in the context of the approach that is being taken. I had a great deal more to say, but many other Members wish to speak in the debate, so I am happy to conclude now.

8.52 pm

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): It is a pleasure to follow the hon. Member for Croydon, Central (Mr. Pelling), who gave a short, reasonable and measured speech.

I shall concentrate on the economy and the impact on my constituency and region, the west midlands. Economic historians will debate for many years the culpability for the current international economic crisis. The central problem seems to be that international finance and the mechanisms and tools used to move money round the world have outstripped the national and international supervisory and regulatory bodies. It ill behoves Opposition Members to criticise the Government for not regulating the finance market properly, when the Opposition were advocating total deregulation of the market.

In the end the public will judge us not on who is culpable, because it clearly is an international crisis, but on what the Government do about it and what mechanisms they are prepared to adopt to deal with the problem—interest rate monetary policy, or monetary policy plus fiscal stimulus. From my discussions with electors and above all with local manufacturers, it is clear that a combination of the two is needed.

People in my constituency and the black country as a whole remember the monetary policies of the early '80s, which were devastating—and happened within an international economic context far more benign than the problems with which we are dealing at the moment. The manufacturers whom I meet do not talk about balanced budgets. They talk about the availability of credit and needing loans, as well as about needing rate relief on empty properties which the Government have now delivered. Above all, however, those manufacturers say that there is no point in providing companies easier access to credit if those companies do not have an order book to respond to. Order books can be built up only if the economy in general is stimulated. I believe that the VAT £12.5 billion stimulus will provide that stimulation, as will the public works that are being brought forward.

At the end of the day, small companies face diminishing order books and the necessity of laying off workers. The only legacy of the 1980s that the manufacturers remember with any regard is, ironically, the one interventionist Thatcherite measure—the short-time working directive, when workers were subsidised for not leaving the employment of a small company. It is absolutely essential that we preserve our manufacturing base. If we do not have any industry when the upturn comes, we will not be able to take full advantage of it. Areas such as mine in the west midlands are in many ways a litmus test of the sort of policies needed to keep our industrial base intact.

I turn briefly to the car industry, which represents about a quarter of the manufacturing output of the west midlands. Land Rover-Jaguar alone employs 13,000 people, and including the automotive components industry, car industry employees make up a huge section of the west midlands work force. The Government have rightly intervened in providing money for the banks; that was essential to stop our national finance system seizing up. However, over and above that, we have to recognise that vital industrial sectors may need supporting in a way that has not so far been envisaged. We have tried to get cheaper credit through the banking system, and we may need to consider industry-specific measures designed to provide cheap loans from the finance arms of the car companies, to stimulate the purchase of cars, which are such a vital and strategic part of our industrial base. Similarly, we may have to look to measures to preserve the cutting-edge research and development in our car industry.

Although I praise the Government for their work so far, I finish by reminding them that that work is not over. The issue is about saving not just the banking

sector but our industrial sector; so much of the work done with banks will be lost unless we do the latter. I ask the Government to take that on board, and—if necessary—to be bold.

8.58 pm

Mr. Philip Dunne (Ludlow) (Con): It is a great pleasure to follow the hon. Member for West Bromwich, West (Mr. Bailey), who is a worthy champion of the motor manufacturing industry. Many of the small manufacturing companies in my constituency supply some of the major motor manufacturers in his, and we work together on those issues.

I should like to start by injecting a note of blame. Some other hon. Members have chosen not to blame the current economic crisis on the Government, and that surprises me. Today, we heard the Chancellor delivering a speech while presiding over what is, as one Minister admitted today, the worst recession. The Chancellor is presiding over a currency in free-fall and a public sector debt that is to double in the next five years. Yet despite the Government's having been in power for more than 10 years, Labour Members say that that is not the Government's fault. I find that extraordinary.

It is particularly extraordinary to claim that this is all down to global causes and that other economies are suffering alongside the UK, because none is suffering as badly as ours. Sterling has fallen further and faster than any other major currency this year. Why is that, and why has it happened particularly in the past few weeks? It is because currency markets increasingly lack confidence that this Government will be able to borrow what they need to borrow, by their own admission, over the years to come. That is why the currency is collapsing.

The Chancellor was not prepared to admit, when challenged today, that he is doubling the public sector debt under his watch. If the gilt markets are not prepared to fund the Government's borrowing, two things could happen: interest rates will rise to the point whereby that funding becomes available or the Bank of England will print money to enable the Government funding to be established. Either way, we are heading for significant deflation or stagflation, neither of which Labour Members should feel any comfort about. Commentators are now asking themselves whether the UK will have to follow the path of the Seychelles or Ecuador by defaulting, or they are starting to talk about returning to international agencies to bail the economy out of a prolonged period of Labour Government, as has happened before.

I should like to talk briefly about the banking crisis. Government measures have led to a succession of errors helping to compound the problem, in our economy in particular. We have heard much talk about the regulatory problems being not of our making. I remind Labour Members that the new banking regulatory system, which was put in place 10 years ago by the then Chancellor, now Prime Minister, and the then Chief Secretary, now Chancellor, was found wanting a year ago when the Northern Rock crisis took place and the Financial Services Authority itself admitted that it had not regulated properly.

When Conservative Members argued in favour of the independence of the Bank of England, we were not arguing in favour of the FSA taking over banking regulation—that was not how we saw it then or see it today. When Northern Rock got into difficulty last year, the Government were unable to take the swift decisions necessary in order to deal with the crisis as it arose. Despite ministerial denials ever since, they dithered and shilly-shallied and did not take the opportunity to place Northern Rock into the safe hands that were on offer.

The bank recapitalisations of this autumn have also been poorly executed. As other Members have said, they have been funded by an extraordinary series of preference share issues which have provided terms that would prevent anybody else from participating, so should those banks require funding in future there will be no sources of capital other than the Government available for them to dip into. The recapitalisation has created a structure in which, by definition, only money from the Bank of England or the Treasury will be able to continue any sort of bail-out. It is not helping the real economy, because the banks have been faced with conflicting signals. On one hand, the excessive borrowings of the past decade widened their capital adequacy ratios dramatically—accentuated in some cases, as the hon. Member for Warwick and Leamington (Mr. Plaskitt) said, by the Basel II regulations, the classic example being Northern Rock. The expansion of the loan books had been so significant that, whereas in the 1970s the gross assets to common equity ratio was in the order of 15 times, in recent years it has been in the order of 90 times, on the narrow definition of common equity.

There has been a dramatic expansion of risk in bank balance sheets, which is why many of the assets that banks invested in require recapitalisation when they turn sour, either out of profits, which banks find extremely difficult to generate in the current environment of falling interest rates, or capital, which will not be forthcoming other than from the banks. The banks are being encouraged to lend by the Government but at the same time they are trying to generate capital to cope with the asset write-offs that they can see coming, and that circle cannot be completed.

Time is running out, and I shall allow other hon. Members to speak.

9.5 pm

Mr. Jim Cunningham (Coventry, South) (Lab): I was very interested in what the hon. Member for North-East Bedfordshire (Alistair Burt) had to say—he is not in the Chamber any more—because I seem to remember that he was the Minister who introduced the Child Support Agency a long time ago as part of John Major's Government. He may cast aspersions on others tonight, but some of us have long memories, and people have been trying to put the CSA right ever since.

I represent Coventry, and we in the west midlands have been concerned about manufacturing for a long time. Over the years, certainly under the previous Government, the industrial base was eroded to the point where the west midlands now provides in the region of 25 per cent. of this country's manufacturing. We are obviously very concerned about that, and when we consider that the west midlands produces about 10 per cent. of this country's wealth, we see that it is an area to be reckoned with.

I support the measures taken by the Government. They had to take those measures; when we look at history or at documentaries about the 1930s, we can see

[Mr. Jim Cunningham]

why the Government have to do what they have got to do. Any measures that the Government take will never be perfect, but nevertheless, they have to get the central thrust of what they are doing right or, as some people have predicted, we could end up in a situation comparable with that of the 1930s.

That takes me to the issue of Northern Rock, an issue which the Opposition have always ducked. Northern Rock gave the public a snippet, as it were, of what could be around the corner, which could be compared with the 1930s. Let us remember that people were queuing up to withdraw their money from Northern Rock, and that a number of societies were in the same boat. Let us remember that the Opposition dithered when we eventually took some action to stabilise that situation, and that they criticised us for doing so. When we listen to the Opposition, we are led to believe—the previous speaker just said it—that everything is the Government's fault. There is a big, wide world out there. Apparently, we are insulated from that, and everything we do has no bearing on the world, but in actual fact the world has a big bearing on us. The situation started about two years ago, when India and China were forcing up commodity prices. The Opposition conveniently forget about that little thing that happened two or three years ago. It had a knock-on effect on oil prices, and we all know the story of how those prices then went through the roof.

We must not forget that the major problem started with mortgages in America, and others cannot duck the truth, as much as they would like to, because if they do not recognise it, they will never get a solution to the problem. We could give a litany of what has happened since then. The Government have been operating in a difficult situation, trying to persuade people that their course of action is the right one, with little support from the Opposition. As I remember, their support lasted only 10 days before the Leader of the Opposition withdrew it.

Let us take the other argument that the Opposition use quite a lot, which is that we did not prepare for a rainy day. We did, because we followed a Tory budget for two years—people tend to forget that. For every pound that was paid in tax, 50p of it was to pay off Government debt. We also invested for that rainy day, when we were able to, by spending on schools and the health service. The Conservatives cannot run away from the fact that we did invest for a rainy day. We also invested in modern technology and research and development, which our major industries rely on. Universities rely on that money, because it is part of their seedcorn funding. We also invested in skills and a number of other areas of the economy. At the end of the day, to suggest that the Government did not prepare for a rainy day is slightly misleading to say the least. It is totally misleading to say that if everything had been right in this country, somehow everything else in the world would have been okay, because the fact remains that the problems started outside this country, and I have highlighted a few examples of that.

Earlier today, the shadow Chancellor said that the Conservatives cared about families, decent housing and so on, and that Conservative local authorities would do the same sort of thing. However, in Coventry, for example, they have spent £40 million out of £70 million of reserves and they are introducing £9.4 million in spending cuts, which could affect 189 jobs, such as neighbourhood wardens. It will also affect youth services and library hours, and lead to cuts in certain areas of education, foster and social care. I know that my hon. Friends are waiting to get into the debate, but I wanted to highlight Coventry city council proposals and suggest that it look at them again.

9.10 pm

Mary Creagh (Wakefield) (Lab): It is a pleasure to speak after my hon. Friend the Member for Coventry, South (Mr. Cunningham), who represents the area where I went to school in the 1980s. My family weathered the terrible recession of that time and saw the devastation of the car industry—the plant at Massey Ferguson, the Alvis tanks factory and the car body factory were all closed.

A series of devastating public sector spending cuts resulted in teachers' strikes, and many of my friends and I missed out on large parts of our education. Opposition Members perhaps have not suffered a teachers' strike, but when that happens, children go into school at the beginning of the week, pick up their work for the rest of the week, do it quickly that afternoon and go off to play for the rest of the day. As a 12-year-old, it was a recipe for happiness, but I am sure that it had a devastating and long-lasting impact on many of the people with whom I was at school. I would also like to share the fact that in 1982, I had to buy my own O-level physics textbook. In 1982, £12 was a lot of money for a 14-year-old who earned £1.50 from a paper round. Many of us can remember other recessions. The recession of the 1980s was perhaps not as desperate as that of the 1930s, but there was 20 per cent. unemployment in Northern Ireland and 16 per cent. unemployment in north-east and north-west England.

I shall consider two issues: the temporary reduction in VAT and, if time permits, the welfare reform proposals. The Government have done the right thing with the temporary cut in VAT because it will reduce prices and improve consumer spending. The measure is not about people buying 25 cappuccinos, as the hon. Member for Croydon, Central (Mr. Pelling) rather facetiously implied, but about 25 people who would not otherwise buy cappuccinos doing so. We need to allow people to keep making the discretionary expenditure that they would otherwise not make. Increasing the higher rate of income tax to 45 per cent. for those earning above £150,000 is a bold, positive and progressive move by the Government that will ensure that the pain of this recession is shared by the few, as well as the many—to paraphrase a famous new Labour phrase.

It is important to bring forward spending on large infrastructure projects because that will enable construction companies that have been badly affected by the recession to remain in business. It is crucial that £3 billion is invested in our motorways, social housing, schools, hospitals and energy efficiency. The phrase of the hon. Member for Tatton (Mr. Osborne) that we did not fix the roof while the sun was shining has become rather hackneyed, but I can tell him that, as a Labour Government, we have invested money in repairing schools and hospitals. Again, Opposition Members might not have had the pleasure of going to an outside lavatory at their school—I am sure that the Eton Rifles and the Bullingdon boys

were not allowed to do that—but in some schools, the classrooms were out of action for years at a time because of leaks in the roof.

At Pinderfields hospital, Wakefield, which I visited two weeks ago with the Secretary of State for Health, a £250 million contract has been put in place and the infrastructure—the bones of the hospital—are in place. That hospital had not received any major building investment since almost the second world war—and that investment had consisted entirely of prefabricated portakabins. When I visited to celebrate the NHS's 60th birthday this summer, we went to a children's ward where the beds had previously been lost because the rain was getting through a hole in the roof. That is one of the challenges that doctors, nurses and care professionals in Wakefield faced in delivering health services, but now we are talking about the roof in Pinderfields hospital being physically fixed through a £250 million investment from the Government.

Last week, my right hon. Friend the Secretary of State for Children, Schools and Families announced new money for play areas. Wakefield will receive £1.1 million of investment this year, rather than in 2010-11, in 22 areas. In Kirklees, which I also represent, and the wards of Denby Dale and Kirkburton, £2.2 million will be invested in 28 play areas and two adventure playgrounds. I am determined not to let the Tory-Lib Dem coalition on the council allow my rural children to miss out.

It is also good that we are providing £15 million for free debt advice, which has been an issue in Wakefield. People trying to access debt advice at Wakefield's citizens advice bureau currently face a three-week wait, which I raised with Treasury Ministers in the House in October. That demonstrates the nonsense of the Opposition, who published a paper in the summer calling for the deregulation of the mortgage market. We are all now only too aware of the dangers that such an approach would bring.

I have only 20 seconds left, so I will miss certain sections of my speech, but I want briefly to mention welfare reform, which is vital. It is difficult to get people back into work during a recession, but we cannot allow worklessness to become an ingrained habit, as the Conservatives did in the '80s and '90s. They want spending cuts, but I say that it is better to increase the national debt than to have 200,000 people losing their homes or one in 10 people unemployed. It is better that the national debt should rise than that entire sections of the manufacturing and coalmining industries should be left to wither on the vine: doing nothing is simply not an option. We in the Labour party have an action plan. Only time will tell whether it will be enough, but the "no action" plan from the do nothing party would seriously let down the people of this country.

9.17 pm

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): If anyone had any doubts about the clear contrast between the approaches of the main parties towards dealing with the financial crisis and the recession, those doubts will not exist after today's debate. As my hon. Friend the Member for Wakefield (Mary Creagh) pointed out, in spite of repeated requests and challenges in this debate, neither Tory Front Benchers nor Tory Back Benchers have proposed any programme to deal with the situation. All we have heard is an occasional reference to the loan guarantee scheme, which was hardly the centrepiece of the speech that the hon. Member for Tatton (Mr. Osborne) made earlier. I wonder whether that proposal is rapidly going the way of the employment creation scheme, which the Conservatives proposed a few months ago, but which seemed to disappear from their agenda once it was dissected by the Federation of Small Businesses.

The ability to access the credit needed to continue operating is essential to all businesses. Ensuring that banks can continue to provide businesses with support and with access to credit is crucial, but only as part of a package. It is certainly not the only solution or the panacea that it would appear to be to the Conservatives, from the limited suggestions that they have made this evening. I speak to small businesses in my constituency, and access to credit and the rates that some are being charged for overdrafts and loans are central to their concerns. Above all, however, what both small and big businesses want are customers. Businesses want people to buy from them. Retailers want people to go into shops—that is where the reduction in VAT is important. Businesses in the non-retail sector want people to buy their products and services.

The public sector also has a vital role to play in providing a stimulus to the economy in our communities. Not surprisingly, those of us who speak regularly to businesses, as most of us do, will report that businesses with a relatively high proportion of their trade deriving from the public sector are weathering the downturn better than many others. This underlines the particularly important role of public sector spending on infrastructure in the present circumstances. That is why the boost to such public sector spending is a vital part of the programme, and I welcome the priority that the Government have given to it. We have seen the emphasis on investment in infrastructure in the short term, but we now need to turn to a strategy for continued investment in the medium term as well. Whatever the trajectory of the present recession might be, it is clearly going to take some time to recover from the difficulties that we now face. I certainly support infrastructure investment as a major theme of the Government's activity, and I look forward to more of the same in due course.

The need for investment in infrastructure is particularly important to those of us who represent constituencies in Scotland. In England, we see new schools and hospitals continuing to be built, and we shall see investment in transport and other key sectors of the economy. In Scotland, however, we face a different situation. Although we can see that kind of investment in building projects going ahead in our constituencies at the moment, the public sector investment programme will begin to peter out in the next year or so, just at the time when we need a boost to infrastructure investment in our communities.

Over the past year and a half, the Scottish National party Government have been ideologically pursuing their so-called Scottish futures trust, a device that is meant to bring investment in public sector facilities in all our constituencies, but that has, to date, not delivered one single brick, despite the spending of about £30 million in preparatory work. Not one project has yet been agreed, and even the SNP Government themselves have now accepted, in their transport strategy that was announced last week, that some of their major programmes

[Mark Lazarowicz]

cannot be funded by the mechanism that they had hoped to use. As a result, not only transport programmes but many other capital spending programmes—which are vital not only for the facilities that they offer but to the building industry—are now subject to a great deal of uncertainty.

As I have said, there are signs that the SNP Government are beginning to rethink their approach to public sector investment in Scotland. I welcome that, and if we are indeed seeing a new sense of reality in the SNP Government about the need to invest in public sector infrastructure in Scotland, not only the Labour party but the construction industry and business in Scotland will welcome it. At the end of the day, we can have our debates here in the House of Commons, in which the Opposition parties will understandably challenge the actions and policies of the Government, but when the UK Government and the Government in Scotland are of different political colours, it is essential for those of us who represent Scottish constituencies that they work together. We must ensure that the initiatives taken by the Secretary of State for Scotland to bring together key organisations in the poverty sector are followed up by similar initiatives in infrastructure investment and in the financial services industry in Scotland.

I urge the Minister to convey to the Secretary of State for Scotland the need for the initiatives that have been introduced to deal with poverty in Scotland to be taken forward into the infrastructure industries and the financial services industry, so that we can adopt the joint approach that this Government want to see. We must ensure that the SNP Scottish Government are challenged to join us in meeting the needs of our communities in Scotland.

9.24 pm

Mr. Mohammad Sarwar (Glasgow, Central) (Lab): The UK and, indeed, the wider global economy are entering an exceptionally difficult and uncertain time. This global economic downturn has, in one way or another, affected the lives of many businesses and families throughout the world, including those residing in the United Kingdom. Although the problem started with the sub-prime housing market in the United States, globalisation caused the problems to spread quickly and to affect the world economy, placing a tight squeeze on the availability of credit. That has resulted in the collapse of several major international financial institutions, and an accompanying collapse of market confidence. Unprecedented sums of Government finance have been provided to assist in the recapitalisation of our banks. At the same time, mortgage approvals and lending in general have declined, and home repossessions are on the increase. Interest rates for businesses and families are still fairly high. Lenders are slow to pass on their cuts to consumers, and when they finally do, they do not pass them on in their entirety.

Furthermore, a substantial number of small businesses say that their overdraft charges are higher than they were a year ago despite central bank rate reductions. Interest rates for loans, credit cards and store cards are typically very high, and have remained so despite the recent rate cuts. All that has compounded the problems of a slowing property market that is also currently suffering a decline.

The pre-Budget report set out a positive and much-welcomed plan of action in the shape of the substantial £20 billion fiscal stimulus package to be introduced between now and April 2010 to counter the effects of the recession and to aid the economic recovery. The package includes a permanent £600 increase in the income tax personal allowance, a temporary reduction in VAT, no significant changes in vehicle excise duty until after 2010, the bringing forward of child benefit and child tax credit increases, and a one-off £60 winter payment to pensioners on top of an increased winter fuel allowance payment.

I commend the Government for having addressed some of the key economic issues. They have provided greater protection for bank depositors by guaranteeing deposits of £50,000, reaffirmed the commitment to investment in public services, and taken steps to pump liquidity back into the market. I also welcome the introduction of the new charter for mortgage holders, announced last week, which is designed to prevent hard-working families from having to face the fear of home repossession.

The charter provides three practical safety pillars for home owners: an agreement by the banks to hold back repossession proceedings until three months after the home owner falls into arrears; a new pre-action protocol making it clear that repossession is to be pursued only as a last resort with free debt advice available in every court and judges expecting lenders to exhaust all other options first; and the opportunity to defer a proportion of interest payments for up to two years, with the Government guaranteeing banks against the risk of loss from such deferred interest payments.

The charter has been welcomed by market specialists, and is testament to the pledge of my right hon. Friend the Prime Minister to provide real help for families during these very difficult times. In contrast, the Leader of the Opposition has shown that not only does he not understand the nature of the economic problems, but he does not care about lessening its possible effect on families.

However, we must be prepared to go further in our efforts to assist businesses and families. We must ensure that the banks play their part in meeting the needs of consumers in what is proving to be a very demanding time for our economy. At present they are failing to do so, as they have not resumed lending to the levels seen before the credit crunch. They have also been unwilling for a second time to pass the full amount of the Bank of England interest rate cuts to consumers. My right hon. Friend the Prime Minister has rightly said that that is unacceptable. It is reassuring to see a new lending panel chaired by the Chancellor and Lord Mandelson set up to monitor lending levels, but, given the emerging evidence that overdraft limits for small businesses are being reduced and, in some cases, withdrawn completely, it is more essential than ever for us not to allow viable businesses to fold owing to a lack of credit.

We must take a more robust approach. The banks should be fully aware that if they fail to act in accordance with the strings attached to their rescue plan, we will seriously begin to consider some of the suggestions recently made by market specialists to the Treasury Committee. They include introducing credit market control measures and appointing Treasury officials to

sit on banks' executive boards. I am not a fan of bank nationalisation, but if the banks do not behave, the option of full nationalisation should be adopted to make them start lending again.

9.30 pm

Dr. Roberta Blackman-Woods (City of Durham) (Lab): I shall endeavour to keep my remarks brief, but I want to say a few words about the economic measures outlined in the Queen's Speech and the pre-Budget report, and also to touch on other key issues in the Government's programme.

I think there is consensus on the fact that we are in very serious economic times, but there certainly is not consensus on how to deal with that. I strongly support the Government's commitment to act decisively to make sure that we enter economic recovery as soon as possible. That is in stark contrast to the approach of the do nothing Tories. The Government are offering real help for those who are being affected by the economic downturn, and I especially welcome the measures aimed at families, pensioners and small businesses, such as the £60 pensioner's payment, increasing child benefit, more loans and deferred tax payments for small businesses, bringing forward £3 billion-worth of capital projects and, more recently, credit card protection. I know that that will be welcomed by my constituents, many of whom have recently come to my surgeries to talk to me about the actions of credit card companies.

That is all real action to help. Apparently, however, the Tories would rather we followed their path and did absolutely nothing. We in Durham still remember the "unemployment is a price worth paying" Tories and we do not want them back. At a time of economic hardship, a great deal of attention is rightly focused on how to deal with economic problems, but we must also pay attention to the role that public spending can play in reducing unemployment.

My hon. Friend the Member for Leyton and Wanstead (Harry Cohen) was right to focus on the role that public spending can play in providing infrastructure. We need this investment in infrastructure to continue. In Durham, we are currently consulting on the building of two new schools; one is to serve Durham city and is jointly sponsored by the county council and the university. This is a necessary investment for the future, not wasteful public expenditure as the Tories would have us believe.

Education is crucial to economic development. From Sure Start for pre-schoolers through the school system and on to apprenticeships and university courses, we must continue investing in training and education, because that prepares our young people and adults for the future economy. That is why I very much welcome the Government's children, skills and learning Bill, and in particular the attention that is being put on apprenticeships as a key measure in helping to engage young people and adults in training, to improve their chances of employment in our future economy.

The Government have high aspirations for every child in the country. By providing better education and training, they are challenging the underlying causes of poverty and helping children and young people to raise their own aspirations. It is essential that we reduce the educational attainment gap; it must be closed if social mobility is to be improved.

I want briefly to take issue with my right hon. Friend the Member for Birkenhead (Mr. Field) on training. That is essential. We should not rule out "make work" schemes as part of welfare reform, but they should not replace any emphasis we place on training.

The Government's work on child poverty has been leading the world. The child poverty Bill will enshrine in law historic commitments to eradicate child poverty in a generation. That is much welcomed. In passing, I note that the Conservatives have refused to make any real pledge on ending child poverty.

Local initiatives and regeneration are crucial to tackling poverty and improving economic regeneration, so I welcome the Local Democracy, Economic Development and Construction Bill, and I hope that it ensures that local authorities can be much more active in economic development in their area.

Finally, I want briefly to thank the Government for putting into the police and crime Bill measures to give local people a greater say over whether to have lap-dancing clubs in their area, and I hope to be called to say more about that on a future occasion.

9.34 pm

Chris Grayling (Epsom and Ewell) (Con): This Queen's Speech has all the hallmarks of a Government who have been in power too long. It has all the characteristics of a Government who have run out of ideas, and we now have a set of Ministers who no longer have the ability to distinguish between the national interest, their party interest and their own personal interest. At a time of national crisis, we have a Government who are solely interested in securing their own re-election. Never has that been more apparent than during this year's debate on the Gracious Speech.

What we have is a motley collection of Bills assembled not through some great vision of a different future for our country, but out of pure political expediency, such as the child poverty Bill. We all share the goal of eliminating child poverty and we will support the Bill, but we all know why the Government have chosen this moment to bring the measure forward. They hope that by setting in statute a child poverty target for 2020, we will all now forget that they have effectively abandoned their child poverty target for 2010. Well, I tell them today that we will not let them get away with that one.

Then there is the welfare reform Bill. We all share the goal of radical reform for our welfare state, but we know why the Government have chosen this moment to bring forward that measure, as well. They hope that by rushing to copy Conservative welfare policies, they can deny us an opportunity to challenge them over their wasted decade: 11 years when the number of young people not in education or employment has risen, not fallen; when most of the millions of new jobs they are always reminding us about have gone to migrant workers, not to British people living on benefits; when countless billions of pounds have been thrown at the social problems we face and have made virtually no difference; and when in the good years, the Prime Minister blocked radical reform, when so much more could have been done. Well, we will not let them get away with that one, either. As the hon. Member for Glasgow, South (Mr. Harris) said on his now famous blog last week,

"what a pity we weren't more radical in our first or second term."

[Chris Grayling]

So instead, what do we get? We get a Gracious Speech that is little more than a diversion; bad news buried; unpopular plans dropped; good ideas pinched; and embarrassing failures masked by high-sounding announcements about the future; and a Gracious Speech with only a handful of measures, compared with those we have come to expect from this Government. This was not a plan for our futures—it was a public relations exercise, and a pretty poor one at that.

Of course, there is another reason why the Government have so little to say at the moment. They have finally run out of money, and now they just do not know what to do. All the promises they made have come to nothing. Just look at what they said in the last two Gracious Speeches. In 2006, they promised to

"maintain low inflation, sound public finances and high employment."—[*Official Report, House of Lords*, 15 November 2006; Vol. 687, c. 1.]

In 2007, they promised

"policies to secure a stable and strong economy, with...sound public finances, and high levels of employment."—[*Official Report, House of Lords*, 6 November 2007; Vol. 696, c. 3.]

Two years later, we have the truth. The national debt is set to double within five years. Even the Treasury admits that unemployment is set to rise sharply. The pound has fallen to its lowest level against the euro, leaving millions struggling to afford their family holiday this summer, and now the Government are floundering in trying to find a response. One week, they are promising major new projects to try to ease the impact of economic downturn; the next—in the last few days—they are doing just the opposite, saying that major projects will now have to be delayed.

One of the most breathtaking pieces of hypocrisy that we hear every week from this Government is when they claim that it is their opponents who are inconsistent. This is a Government who say one thing one week, another the next, and a third the week after. Then they stand in front of this House—the Prime Minister is the worst offender—and make claim after claim that would fail any polygraph test that has ever been invented. Most extraordinary of all, the Prime Minister stands up in front of this House and claims to have saved the world. Now he may say it was a slip of the tongue, but we know that he really believes it. Well, I have news for him. It is not just the German Finance Minister who thinks that that is a load of old kugeln. The list of independent international observers who think that Britain is very badly placed indeed to weather the current downturn is getting longer and longer.

However, let us not go overseas for a straightforward view about the Government's policies. This, from one leading observer, was in *The Daily Telegraph* on Saturday:

"Worse still, few people believe that Gordon Brown's strategy to mitigate the impact of a mega-recession on jobs is likely to work. The Government has dangerously raised the stakes by borrowing an additional £20 billion to finance its VAT cuts. What is the sense of this policy when firms are rushing to cut prices by up to 50 per cent? A 2.5 point cut in VAT is simply spitting in the wind of the economic hurricane that is gaining strength."

Members who were in the House earlier might recognise those words, because they were repeated—they are from the right hon. Member for Birkenhead (Mr. Field), a Labour Member of Parliament.

If Labour Members are so confident about the state of our economy and about the viability of the measures unveiled in the pre-Budget report, I ask them to explain two things. Why is the pound falling sharply against the currencies of other countries? Why do they think it will be British people who will be paying more for their holidays this summer—if they can afford them, that is? Back in 1995 the Prime Minister certainly had his own view about a falling currency, when he said:

"A weak currency is the sign of a weak economy, which is the sign of a weak government".

Never was he more right about that than now, and the markets agree. Why do Labour Members think the international credit markets now view Britain as less credit-worthy than McDonald's? Could it perhaps be that the world outside now looks at the Prime Minister as being more Clark Kent than Flash Gordon? Our pensioners certainly view him that way. The most immediate victims of the sharp falls in sterling are British pensioners who have chosen to retire overseas. For them, a weak Government really have led to a weak pound, and they are all paying the price for this Government's failure in a very real way.

Then we must consider the savers. Why have this Government so little to say about the fortunes of savers? As interest rates are slashed to try to respond to the economic failings of this Government, what have Ministers to say to those who are seeing their retirement incomes slashed as well? The answer is nothing, not even words of comfort. Indeed, when I appeared alongside the Minister for Employment and Welfare Reform on the BBC's "Politics Show" a couple of weeks ago, it was worse than that, because he was just plain dismissive of the challenge our savers face, and he is the No. 2 Minister in the Department that is supposed to be responsible for the welfare of older people. Ministers would not even take steps to suspend the annuities rule for those pensioners being forced to make long-term commitments in a turbulent market.

This week, there has been yet another insult to the very large number of pensioners who lost money in Equitable Life. The ombudsman's ruling could not have been clearer; the Government have an obligation to respond. The Prime Minister promised a full response by Christmas. So what happened last week? The promised statement was kicked into the long grass of the new year. Ministers say that they will be doing something then. Well, I have a message for all those pensioners: I would not trust this Prime Minister further than I could throw him, and nor should they.

I say that because what we have today in Britain is a Prime Minister who quite simply cannot be trusted. He leads a set of Ministers who deliberately misuse national statistics to win themselves favourable headlines, who systematically, week by week, in this House misrepresent the views of those who dare to oppose them, and who no longer originate ideas, but just copy the best from their opponents. This is a Government who have one single overriding objective: to hold on to the trappings of power, no matter the consequences for the future of this country, for those stranded on lengthening dole queues, for the people who have built up and nurtured businesses that create employment for millions and for those who have put aside money for retirement and now find themselves squeezed and squeezed.

This Gracious speech does not offer a way forward to a better Britain. It contains no ideas about how to stem the tide of recession and begin to rebuild wealth and sustainable employment for all our futures, and no ideas about how to tackle the social breakdown affecting so many parts of our country. It no longer contains principles and philosophy; it just plagiarises the Government's opponents in the hope that they can be denied political advantage. It is about one thing, and one thing alone: power. Well, I say to Ministers tonight that Britain deserves better. When a Government no longer have a vision for the country they seek to lead, when a Government no longer have fresh ideas to bring to bear on the challenges we face and when a Government are more interested in holding on to office than in using it for the advantage of every citizen in this country, it is time for them to go.

9.44 pm

The Secretary of State for Work and Pensions (James Purnell): This had been rather a good debate until the hon. Member for Epsom and Ewell (Chris Grayling) made his speech, but I will start by talking about the debate. There were good contributions from Members on both sides of the House. My hon. Friends the Members for Wakefield (Mary Creagh), for Coventry, South (Mr. Cunningham), for Glasgow, Central (Mr. Sarwar) and for City of Durham (Dr. Blackman-Woods) all spoke passionately about their constituencies and what they think the Government need to do.

In particular, I pay tribute to the speech made by my right hon. Friend the Member for Stirling (Mrs. McGuire), who rightly spoke about the high expectations that we should have of disabled people, but also of the high support that we should give them because they have high expectations for themselves. They well remember the fantastic work that she did on their behalf.

My hon. Friend the Member for Warwick and Leamington (Mr. Plaskitt) made a brilliant speech about bank regulation. I was lost for most of it, but he really seemed to know what he was talking about. My right hon. Friend the Member for Croydon, North (Malcolm Wicks) made an erudite speech in which he spoke passionately about welfare reform and the value he attaches to it.

I congratulate my hon. Friend the Member for West Ham (Lyn Brown), who highlighted the problem for many of her constituents of being trapped in temporary accommodation. There is an important issue there that needs to be addressed, and the housing benefit proposals are the right way to do that. It is also worth saying that a number of Members on both sides of the House welcomed the increases in the access to work budget. I am glad that that has been recognised as being able to make a significant difference to people.

The Gracious Speech will introduce measures to strengthen our economy, help people to save, involve communities, and improve health and education. Yes, it does— *[Interruption.]* I paid tribute to a number of Members from the other side of the House. *[Interruption.]* The Conservative Whip, the hon. Member for North-East Bedfordshire (Alistair Burt), who is in his place, welcomed the access to work— *[Interruption.]* My right hon. Friend the Member for Birkenhead (Mr. Field) is not an Opposition Member; he is a Labour MP. *[Interruption.]* Well, he made a good speech, and I can respond specifically to the point that he made.

My right hon. Friend said that we should be doing more in terms of community work for young people—and we absolutely agree. That is why we will be fast-tracking people who have been out of education or training on to the flexible new deal where there is indeed a requirement for them to be doing full-time work in return for their benefits, and we will be taking it further. That is an important point, and one on which we agree.

It is interesting that the hon. Member for Epsom and Ewell barely mentioned welfare reform or child poverty. I was grateful for some small mentions, although I was slightly worried when I read his amendment, which does not mention them at all. Welfare reform used to be his favourite subject, but he has gone mysteriously silent on it. Why has he done that? Exactly because he starts from the politics and ends up with the wrong policy.

That is Conservative Front Benchers' problem on so many things. It is their problem on the economy. They start from the politics and consistently end up with the wrong policy. When they thought that the Northern Rock nationalisation would be unpopular they opposed it, because they started with the politics and ended up with the wrong policy.

When Conservative Front Benchers thought that it would be statesmanlike to support the Government on bank recapitalisation, they decided to support the Government. But again, they worried that they were in the wrong place on the politics. A consensus, even one so obviously in the national interest, does not allow the Opposition to play politics, so they moved again and decided to announce that they would cut public spending.

Because the Opposition started from the politics, they ended up with only one clear policy: to do nothing to help, and simply to let the recession take its course. That is exactly the policy that they adopted in the 1980s and the 1990s, when they said that unemployment was a price worth paying. That is exactly what they believe today.

We disagree. We disagree with the idea that people should be abandoned. We disagree, above all else, with the idea that nothing can be done. If we can support the economy, the recession can be shallower and shorter, which means less costly to the Exchequer—and most of all, less costly for individuals, families and communities around our country. We understand that good policy involves both social justice and good economics. The Opposition understand neither.

The shadow Chancellor was at his most thoughtful today. That is not saying much, for him, but he was trying to make an argument. However, his argument had one Achilles heel, which became clear when the Chief Secretary to the Treasury asked him how he would fund the extra spending for pensioners and on children. He had no answer to that, because he has boxed himself in. He says that he does not believe in the extra borrowing, but that means that he would not be able to support the extra spending on pensioners, as

[James Purnell]

he would not be able to afford it. He can stand up and intervene now, if he wants to, and tell us how he would fund the extra £60 a week that we are giving pensioners in January. How would he fund the extra money that we have put into pension credit—the biggest uprating ever? He is welcome to intervene, but he would have no money for that, either. How would he fund the extra £3 billion in public spending on infrastructure? He can stand up and say how he would fund that, but he has no way of saying—

Stewart Hosie *rose—*

James Purnell: I do not think that the shadow Chancellor needs help from the Scottish National party—things are not quite that bad for him yet. He has no way of funding any of those things, because he has boxed himself in by saying that he wants to cut public spending in the future, but not to do the borrowing now. That means that the Conservatives would not be able to afford the extra help that we have said that we will put in place and—worse than that—in the middle of a recession, far from helping people more, they would be cutting spending, just as they did in the '80s. They would cut spending and make the recession worse.

Stewart Hosie: The Secretary of State talks about the £3 billion. Will he confirm that that is not new money, but re-profiled money brought forward from future spending years? It is nothing to do with the borrowing: money is being brought forward from future years, where there will be a gap.

James Purnell: Exactly. They have not done that in Scotland, and they could be doing it. I hope that the hon. Gentleman will be argue for that in Scotland, so that we have the same support for people across the United Kingdom as we have in England. He should argue for that with his Government in Scotland.

We believe that the Opposition have got themselves into a position on economics where they would do nothing to help people. That would mean that the recession would be longer. If in the 1990s they had taken action similar to what we are doing now, they would have been able to reduce the effect of the recession on the UK. We believe that if a timely fiscal stimulus with a similar impact on GDP had been applied at the beginning of the recession in the 1990s, some 300,000 jobs might not have been lost. Some 300,000 people who lost their jobs would not have done so, reducing the costs to them, to our communities and to the Exchequer. The Opposition simply do not understand that.

The Opposition do not want to admit that they would do nothing. They do not want to admit what they really believe, which is that nothing can be done. They want to erect a smokescreen of measures instead. They want to pretend that those measures are far-reaching but they do not want to say that they would cost any more. They want to have a national loan guarantee scheme without saying that it would cost any more money. They want to cut national insurance for employers, but they pretend that that would be entirely and immediately self-funding. They want to put £3 billion extra on the working tax credit, without saying where any of the money would come from. The smokescreen distracts from the fact that the Opposition have no idea what they would do, and that they would do nothing to help people through the recession.

In contrast to the Tory smokescreen, we are offering real help. To rescue the banks, we recapitalised them. To help SMEs, we announced billions to support their credit and their exports. To help companies with their tax bills, we have said that we will defer payments until the company recovers. As we have also said how we would pay for those changes, interest rates have been able to fall, unlike what happened in the '90s recession, when interest rates had to stay artificially high because of the economic policy of the Government at the time.

We are not returning to the policy of the 1970s, but are following the advice of the Institute of Directors, the CBI and the Governor of the Bank of England, who are hardly Scargillites. Indeed, the Governor of the Bank of England said:

"In these extraordinary circumstances it would be perfectly reasonable to see some use of fiscal stimulus",

provided that it could be repaid and that there was a clear plan for it. That is exactly what we have put in place.

The need for extraordinary action has recognised by the US, France, Sweden, Italy, Spain, China, Austria—*[Interruption.]* The shadow Chancellor had a bit of fun with the subject of Germany earlier in the debate, but the Germans are doing exactly the same thing. They are increasing their spending. They are putting 1 per cent. into the economy, despite the fact that their debt is higher than ours. It is because we have pegged down the debt from the high levels that we inherited from the previous Government that we can respond through interest rates, monetary policy and fiscal policy, working together to do exactly the right thing for this country.

The Opposition want to pretend that they can take more action, but they do not want to say how they will fund it. The way they used to get themselves out of that bind was to talk about welfare reform. The Leader of the Opposition did exactly that last week when he said that through welfare reform their plans would add up, and they would be able to do more without spending more. He said that, magically, they would find greater savings from welfare reform than we could.

To make such a claim, the Opposition have to say that they would go further than us, but as the hon. Member for Epsom and Ewell recognised last week, we are implementing all the recommendations of the Freud report—*[Interruption.]* He says we are just piloting it, but we are doing exactly what he said—so much so that he wrote an article last week recommending and approving exactly what we were doing. He wants to magic up savings while pretending that he would do more. He recognises that we are implementing the Freud report, but his problem is that in the White Paper we make further proposals. We are implementing the Gregg report.

The hon. Gentleman may want to intervene to clarify his party's position, but I think he is preparing to oppose some of those proposals. I think he is trying

to say that he does not want to implement those reforms. The problem that creates for him is that he would not be able to say that he will have extra savings, because he would be doing less than us. That is typical of the hon. Gentleman—he wants to have his cake and eat it. He wants to say that he would do more but spend less, yet he has no ability to do so because he is not prepared to back the reforms that we are prepared to make.

The hon. Gentleman has a chance to rectify his reputation through those welfare reforms—to correct people's view that he is a one-trick pony and only knows how to attack. If he genuinely believes that welfare reform is the right thing for the UK, he should say so. He should say that he will back our reforms, and change the habit of a lifetime and avoid the temptation to play politics. If he wants to rectify his reputation, he should stand up straight away and say that what we are doing on welfare reform is right and that he will back it.

The Government have taken 900,000 pensioners out of poverty. We did fix the roof while the sun was shining. We put in place measures to protect people's pensions through the Pension Protection Fund and the pension regulator. The changes we have made give people confidence that their pensions are protected. We are reforming pensioners' benefits through personal accounts, bringing in help for people so that they can plan with confidence for the future.

A third of a million more lone parents are in work than in 1997. The number of children in absolute poverty has halved, and 600,000 fewer children are in relative poverty. All those measures have been possible only because of the changes we made. The Opposition refused to back the changes that mean we will go further. They propose to do nothing to help people through the recession, because they start from the politics, not the policy. They have nothing to offer people to help them through the recession. All they would do is go back to the mistakes of the '80s and '90s, abandoning people to the fate they suffered under the Tory party. That is not a mistake that we shall repeat, and I commend the Gracious Speech to the House.

Question put, That the amendment be made.

The House divided: Ayes 255, Noes 306.

Division No. 5] **[9.58 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Hollowa[illegible] Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Opik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike

Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. John Baron and
Mr. Philip Dunne

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Elman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hermon, Lady
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John

McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Helen Goodman and Claire Ward

Question accordingly negatived.

Amendment proposed: at the end of the Question to add:

"but humbly regret that the Gracious Speech fails to provide proposals to alleviate the hardship facing hardworking British families by reducing energy bills, boosting growth through investment in social housing, transport and green energy programmes, making banks prioritise lending to British businesses, fundamentally altering the structure of British taxes to make them fairer, closing tax loopholes on the very rich and making significant cuts in income tax for those on ordinary and low incomes."—*(Mr. Burstow.)*

Question put forthwith (Standing Order No. 33). That the amendment be made.

The House divided: Ayes 66, Noes 304.

Division No. 6] **[10.14 pm**

AYES

Alexander, Danny
Baker, Norman
Barrett, John
Beith, rh Sir Alan
Brake, Tom
Breed, Mr. Colin
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Clegg, rh Mr. Nick
Davey, Mr. Edward
Davies, Mr. Dai
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Horwood, Martin
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
McCrea, Dr. William
Moore, Mr. Michael
Mulholland, Greg
Oaten, Mr. Mark
Öpik, Lembit
Pelling, Mr. Andrew
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Rogerson, Dan
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Simpson, David
Spink, Bob
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Webb, Steve
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny

Tellers for the Ayes:
Richard Younger-Ross and Sir Robert Smith

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul

Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Elman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hermon, Lady
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Claire Ward and Helen Goodman

Question accordingly negatived.

Main Question put.

The House divided: Ayes 302, Noes 251.

Division No. 7] **[10.26 pm**

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon

Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
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Hendrick, Mr. Mark
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Heppell, Mr. John
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Hutton, rh Mr. John
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Jones, Mr. Martyn
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Keen, Ann
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Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Killoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oliver, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael

Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Claire Ward and Helen Goodman

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Otteway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. John Bercow and Mr. Philip Dunne

Question accordingly agreed to.

Resolved,

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

Address to be presented to Her Majesty by Members of the House who are Privy Councillors or Members of Her Majesty's Household.

Business without Debate

SITTINGS OF THE HOUSE

Motion made,

That, at the sitting on Thursday 18 December, the Speaker shall not adjourn the House until he has notified the Royal Assent to Acts agreed upon by both Houses.—*(Ian Lucas.)*

Hon. Members: Object.

PETITIONS

Criminal Sentencing

10.39 pm

Lindsay Roy (Glenrothes) (Lab): It is with a heavy heart that I present this petition on behalf of my constituent, Mrs. McPhee, and more than 7,000 signatories. When a Member of Parliament receives such a substantial petition, which was signed over the course of a few days, it must be readily apparent that the people of the constituency feel let down, disillusioned and angry. As the Member of Parliament for Glenrothes, I endorse the petition in full, and trust that the Secretary of State for Justice will give it his fullest consideration.

The petition states:

The Petition of Mrs. Elizabeth McPhee and others,

Declares that the sentence of six years imprisonment for the two men convicted of the murder of Mr. Ryan McPhee, aged 17, on 4th July 2007 is far too lenient. The reality is that these people will serve about three years in prison.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Justice to instruct a review of sentencing guidelines in the light of the sentence given to the men convicted of the murder of Ryan McPhee.

And the Petitioners remain, etc.

[P000134]

Fire and Rescue Services (York)

10.41 pm

Hugh Bayley (City of York) (Lab): On Wednesday, I shall meet the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Tooting (Mr. Khan), together with a delegation of Members of Parliament from the areas of the 10 fire and rescue authorities in England that have received a provisional grant increase of only 0.5 per cent. for next year and the year after. Tonight, I present a petition signed by hundreds of people from my constituency urging the Government to think again.

The petition states:

To the House of Commons.

The Petition of Kevin Booth, Editor of "The Press" York and the people of York,

Declares that the Petitioners note with concern the proposed increase in Government funding for the North Yorkshire Fire and Rescue Service of only 0.5 per cent. in 2009-10 and again in 2010-11.

The Petitioners therefore request that the House of Commons urges the Government to provide a fairer grant settlement to ensure firefighters can continue to respond to fires and other emergencies, and also deliver a comprehensive fire prevention service across York and North Yorkshire.

And the Petitioners remain, etc.

[P000297]

Grocery Sector

Motion made, and Question proposed, That this House do now adjourn.—*(Ian Lucas.)*

10.43 pm

Andrew George (St. Ives) (LD): I am pleased to have secured this debate on the regulation of the grocery sector, and that the Minister is here to respond to it, as he knows my well-established interest in the subject as a result of a parliamentary question that I asked him on 23 October—column 443—and of a Westminster Hall debate on 13 May this year, in which we had the opportunity to debate the role of supermarkets in the grocery supply sector.

I shall first paint a picture of the subject's background. My hon. Friend the Member for South-East Cornwall (Mr. Breed) deserves an honourable mention at this stage, because he was the author of a report, "Checking out the supermarkets", which was published in 1998, and which was a precursor to a request in April 1999 by the then director general of fair trading to refer concerns about the practices of supermarkets to the Competition Commission. The commission produced a report in October 2000, entitled "Supermarkets: A report on the supply of groceries from multiple stores in the United Kingdom". In September 2003, the Competition Commission produced a report on the Safeway merger. Following the commission's original report in 2000, which set up the supermarket code of practice, the 2004 report from the Office of Fair Trading was the first attempt to review whether the code of practice was effective. Because of the inconclusiveness of the first report, a second was produced in March 2005. As a result, in 2006, the OFT referred supermarkets to the Competition Commission again.

In July 2006, I was privileged to be able to call together a wide range of non-governmental organisations and interest groups including Friends of the Earth, the Association of Convenience Stores, the British Brands Group, the British Independent Fruit Growers Association, ActionAid, Traidcraft, the National Farmers Union of England and Wales, the National Farmers Union of Scotland, Banana Link and Breaking the Armlock in what we called a cross-cutting group, because it was covering a number of subjects that were relevant to the Competition Commission inquiry. We submitted a proposal, which I had supported for a number of years, for not so much an independent food trade regulator as an adjudicator.

On 13 March this year, following the provisional findings of the Competition Commission's inquiry, I went to give further evidence to the commission along with Michael Hutchings, a lawyer supporting the cross-cutting group, and Robin Tapper, representing the NFU. I was pleased that on 30 April 2008, the commission's final report on the United Kingdom grocery market included proposals for the strengthening of what was then known as the supermarket code of practice to become a reinforceable grocery sector code of practice and for the establishment of a supermarket ombudsman, for a number of reasons which I shall explain in a moment. The Government responded on 29 July; the Minister may well comment on that.

We need to be clear about the Competition Commission's powers under the Enterprise Act 2002, as proposed by Government and agreed by Parliament. Section 134(1) states that the Competition Commission shall decide whether any feature of the market restricts or distorts competition, which is described as

"an adverse effect on competition".

Section 134(4) states that if the Competition Commission decides that there is an adverse effect on competition., it must also decide whether action should be taken by it to remedy the adverse effect or whether action should be taken by others, and, in either event, must decide what action should be taken. Section 134(6) states that the commission must try to

"achieve as comprehensive a solution as is reasonable and practicable".

Section 134(8) states that when deciding on these remedies the commission may have regard to likely customer benefits in the form of

"lower prices, higher quality or greater choice of goods or services".

According to paragraph 3 of the Competition Commission's final report, published on 30 April—this is a crucial quotation—

"the transfer of excessive risk and unexpected costs by grocery retailers to their suppliers through various supply chain practices if unchecked will have an adverse effect on investment and innovation in the supply chain, and ultimately on consumers".

It proposes the two remedies that I mentioned earlier—a change in the supermarket code of practice and the establishment of an ombudsman. Paragraph 5 states:

"If we cannot secure suitable undertakings from these grocery retailers, we recommend that Government takes the necessary steps to facilitate the establishment of the Ombudsman."

The report devoted 90 of its 270 pages to the description of the remedies. It therefore cannot be said either that the remedies were not a substantial element of the report or that the commission treated the issue lightly.

Obviously, we were keen to hear what the Government had to say. On 29 July, they said in a press release:

"If it cannot get agreement the Government will consider establishing the ombudsman itself. The Government would make an assessment based primarily on what would be in consumers' best interests".

Mr. David Drew (Stroud) (Lab/Co-op): I congratulate the hon. Gentleman on yet again raising this topic, in which we share an interest. The simple fact is that, according to even the Sainsbury's briefing for this debate, the supermarkets have no intention of voluntarily agreeing to an ombudsman. The Government must, therefore, now make up their mind. If the supermarkets will not accept a voluntary agreement on an ombudsman, the Government must legislate.

Andrew George: I am grateful to the hon. Gentleman for that—or perhaps I should call him my hon. Friend, as on this issue and many others he has been an assiduous and strong campaigner. It would be helpful if the Government were to give a strong steer on this issue, either this evening or soon. Otherwise, there will be a long and painful process of attrition. It will be most painful for the suppliers and the primary producers in this country and worldwide if we do not achieve the desired result as soon as possible.

On behalf of the cross-cutting group, we commissioned Professor Roger Clarke of the Cardiff business school to look at the potential impact of an ombudsman on the consumer's best interests. His paper will be published

in the new year, but I can quote from some of the findings that I know it will contain when it is made public. Professor Clarke says that an ombudsman

"will reduce the problem in supplier/retailer relations whereby the abuse of buyer power in the short run has negative effects in the longer run tending to raise prices to consumers."

Secondly, it

"will reduce risks to suppliers enabling them to invest for the longer term and provide benefits from new innovation such as better quality products and more product variety."

Thirdly:

"The costs of this policy as envisaged by the CC"—

the Competition Commission—

"are likely to be very small while failure to introduce an Ombudsman is likely to lead to a significant weakening of the policy."

On such a failure, he adds:

"In turn, this is likely to mean further investigations will be needed in the future. The introduction of an Ombudsman is likely to provide significant consumer benefits and be, arguably, in the interests of the supermarkets themselves."

I shall come to that point later.

The evidence provided by the Sainsbury group is not necessarily fair from the point of view of the supermarkets either. Although the cross-cutting group has some quibbles about the CC's draft proposals, the code should apply to all transformative stages through the supply chain, not to the last supplier to the supermarkets. There are various issues and reasons to do with that, but I will not go into them now. There is also a weakening of the supply code as drafted, a number of elements of which involve what we describe as the "unless" clauses—the conditional reasons why the code would not apply. We think that that results in a weakening of the supply code. There is also a need for a greater emphasis on proactivity within the role of the ombudsman, because it was clearly shown by the previous inquiries that suppliers do not complain because they fear the consequences of complaining about their primary customer. The most significant consequence is that they lose that customer. There is great concern about that climate of fear, as it was described.

There are areas of dispute relating to matters of cost and arguments about red tape. The Tesco director of corporate and legal affairs, Lucy Neville-Rolfe, said in April 2008:

"Tesco considers that introducing a new ombudsman could be bureaucratic and an unnecessary cog in a supply chain which has worked well for consumers. More red tape is likely to stifle innovation and investment and reduce the ability of retailers and suppliers to work together flexibly to deliver the best deals for customers".

That is not what we would hear if we spoke to suppliers—certainly if we spoke to them quietly and without the climate of fear. If the supermarkets are so concerned, they must explain why they have created red tape for primary producers through the creation both of unofficial rules and regulations for their assured produce and of other mechanisms that constrain the ability of suppliers to innovate. Asda's chief executive, Andy Bond, said in April 2008:

"The Competition Commission's proposals on the new code and an ombudsman could cost the industry hundreds of millions".

The worst estimate of the cost of a code is £5 million to £6 million, even if all the costs to the industry—and it would be a cost on industry, not the taxpayer—were automatically transferred to customers, which would work out at about 1.25p per customer. The proposal fails to recognise the benefits for the supermarkets.

Mr. Roger Williams (Brecon and Radnorshire) (LD): I commend my hon. Friend on the work that he has done on the subject. He has clearly set out the resistance from supermarkets to the setting up of the ombudsman, but he will recognise, too, that there is huge support for the measure from suppliers, and from the National Farmers Union, the Farmers Union of Wales and the Country Land and Business Association. That is in great contrast to the lack of support from Her Majesty's official Opposition, who appear to be determined to connive with the Government in preventing the setting up of the ombudsman.

Andrew George: I will side-step the party political arguments, and simply concentrate on the issue emphasised by my hon. Friend. There is strong support for the measure, not just among suppliers, and it is important that the Government recognise that in these straitened times—the recession and the credit crunch—if we are to create the stability in the economy that the Government sincerely want to achieve, one of the best ways of doing so is to respond to the large number of small and medium-sized enterprises in the grocery supply chain that need reassurance. One of the best ways of giving them that reassurance, and providing the stability that the British economy needs, is not to side with the supermarkets but to ensure that there is fair play for people throughout the supply chain.

The Government should recognise—and I am sure that they will do so in time—that there is growing interest among consumers, consumer-based organisations and other non-governmental organisations in matters relating to sourcing and traceability in the supply chain for food and other products in the retail and catering sectors. I was brought up on a three-acre farm, where food never travelled more than 10 miles to reach its final destination. The pittosporum went up the road to Covent Garden at Christmas time, but the market has changed. I accept that it is a new and very different world from the one in which I was brought up, but now that people are less aware of the source of their food, it is important that transparency and reassurance are available in the market.

If the supermarkets have nothing to hide, they have nothing to fear from this rather simple and straightforward regulation. In fact, they have a great opportunity as a result of the existence of an independent arbiter on the nature of the relationships between themselves and their suppliers. If that independent arbiter can give them a badge of approval, that will be a good thing. The measure has the support of the NFU and the CLA. Given that the Government passed the Enterprise Act 2002 in the first place, all that the Competition Commission is doing on this occasion is following the letter of the law that the Government clearly support.

10.59 pm

The Minister for Trade, Investment and Consumer Affairs (Mr. Gareth Thomas): I congratulate the hon. Member for St. Ives (Andrew George) on securing parliamentary time for this important debate. I welcome the opportunity to debate the issues with him once

[Mr. Gareth Thomas]

again. As he rightly says, we have exchanged ideas and positions on this issue a number of times, and I suspect that, given the passions in this debate, there will doubtless be a number of further exchanges. I note, too, the considerable interest with which my hon. Friend the Member for Stroud (Mr. Drew) has pursued these issues, as the hon. Member for St. Ives mentioned. I recognise the agricultural passions—if I may put it that way—that the hon. Member for Brecon and Radnorshire (Mr. Williams) brings to this debate and the interest of the hon. Member for Ceredigion (Mark Williams) in this subject.

I recognise that in initiating this Adjournment debate the hon. Member for St. Ives is bringing to the Floor of the House many of the concerns of the so-called cross-cutting group—a UK-wide group with cross-party parliamentary membership that has made series of strong representations on this issue, including giving evidence to the Competition Commission's inquiry into the power of supermarkets in the grocery sector.

I recognise that the group has commissioned its own analysis of the consumer welfare benefits of an independent ombudsman. The hon. Gentleman may well be aware that my officials met the report's author, and Traidcraft, the National Farmers Union and the British Brands Group as recently as last week. We are studying the report that the group commissioned with considerable interest.

Perhaps the hon. Gentleman will allow me to set out some of the context for the debate and the inquiry. Supermarkets are crucial to the economy. Some £110.4 billion-worth of grocery sales are made through nearly 100,000 grocery stores in the UK. The eight largest grocery retailers account for about 85 per cent. of total grocery sales, with the largest four accounting for about 65 per cent. of grocery sales. One thing is for sure: a supermarket will not remain in business in the grocery sector if it has no customers, and those customers are, for the most part, although not exclusively, local customers. The question for the Government, at least in the regulation of supermarkets, is surely whether we have got the balance right. If we have not, we must work out what we should do about it. Such questions are part of the reason we established the independent competition authorities in the first place and part of the motivation for the Office of Fair Trading and the Competition Commission mounting the various investigations that the hon. Gentleman described.

It is also worth noting that in the past two or three years British supermarkets have made enormous strides in improving their ethical sourcing, improving their environmental performance, reducing their wastage, encouraging recycling, stocking the greener goods that customers now demand, stocking ranges of healthier food and more locally produced products, and making contributions in a wide variety of ways. Indeed, British supermarkets, led by the Co-op, have also led the way in promoting and championing Fairtrade goods, and I hope that they will do more in this area. In particular, I hope that they will continue to work with the Department for International Development to see how they can source more of their products from developing countries.

Andrew George: I fully understand—this is one of the points I was making—that there are good public relations reasons why the supermarkets should get in front of this debate, rather than be dragged along behind it, but in what circumstances would the Government not accept the considered recommendations and findings of a competition body that they have set up to consider these issues deeply and make recommendations that it clearly wants to implement?

Mr. Thomas: If the hon. Gentleman will forgive me, I shall come to exactly that question in due course. Perhaps I may end my comments on the context in which we are having the debate by saying that as long as what the supermarkets are asking is fair, there should be nothing wrong with that. If it is not fair, that is perhaps what the strengthened supermarkets code should be for. I will come to that in more detail.

As the hon. Gentleman said, the Competition Commission began its work in May 2006, delivering its final report and recommendations on 30 April this year. As he knows, the Government responded on 29 July. The Competition Commission produced an extremely thorough report that raised a series of complex and important issues for the grocery market. We recognise in particular the importance of the grocery sector to consumers, as well as to the wider economy. That is why we put considerable time and effort into looking at the report in some detail, giving full consideration to the findings and the recommendations, especially those for the Government.

The hon. Gentleman will know that the Competition Commission received hundreds of submissions from third parties and held some 80 hearings as a result of the inquiry. I hope he will acknowledge that, in general, the Competition Commission found that the groceries market delivers a good deal for consumers.

I acknowledge that the Competition Commission identified two principal areas of concern. The first is that some grocery retailers have strong positions in several local markets, which could lead to a poorer retail offer for consumers in those areas. The second, which he touched on, is concerns over the transfer of excessive risk and unexpected costs being passed on to grocery retailers' suppliers through various practices that the Competition Commission believes will have an adverse effect on investment and innovation unless they are addressed.

Grocery buyer power is of benefit to consumers, as part of the lower supplier prices arising from that buyer power will be passed on to consumers. While the Competition Commission did not find the financial viability of food and drink manufacturers to be under threat, the transfer of excessive risks and unexpected costs could, in its view, lessen the incentive to invest and innovate.

Mr. Drew: With that in mind, is my hon. Friend somewhat surprised by paragraph 3.1 of Sainsbury's submission to the debate? It states categorically:

"Sainsbury's was not provided with any specific evidence to support the conclusion of an adverse effect in relation to suppliers with whom we trade."

Given the nature of what the Competition Commission argued, is it not somewhat strange that a supermarket could make that point?

Mr. Thomas: It is for my hon. Friend, and indeed others who have received the document that he describes, to make their own judgments. I will come on to the fact that a dialogue is under way between the Competition Commission and those who have submitted evidence. We need to allow that dialogue to continue.

Let me come to the remedies suggested by the Competition Commission. On the supply chain issues that it specifically identified, it recommended the creation of the grocery supply chain code of practice, building on the existing supermarkets code of practice. That new code will extend the number of supermarkets from four to 11, covering grocery retailers with groceries turnover in excess of £1 billion.

An overarching fair-dealing provision is included and certain practices such as making retrospective adjustments to terms and conditions of supply will be prohibited. Record keeping will be improved and in-house code compliance officers will be introduced. In addition, retailers will also be obliged automatically to provide their standard terms and conditions to suppliers. As the hon. Member for St. Ives might know, the Competition Commission already has powers to implement that remedy.

The hon. Gentleman directed the bulk of his comments to the fact that the Competition Commission is also seeking undertakings from grocery retailers to establish an ombudsman to monitor and enforce compliance with the new grocery code. The Competition Commission hopes to achieve that through grocery retailers' agreeing voluntary undertakings.

The hon. Gentleman asked about current progress and my hon. Friend the Member for Stroud effectively repeated that question and the concern underlying it. I should make it clear that the creation of an ombudsman remains with the Competition Commission for the foreseeable future. Under section 159 of the Enterprise Act 2002, it is seeking undertakings from the grocery retailers covered by the new groceries supply code of practice to establish that ombudsman to monitor and enforce compliance with the code. No formal recommendation has been made to Government.

Implementing the remedies is progressing, albeit at a slightly slower pace than that currently posted on the Competition Commission's website owing to the sheer number of parties that want to make their views known and that want to make representations.

Mr. Roger Williams: The Minister is characteristically helpful and open in his response, but was one of the recommendations in the report that the Department for Business, Enterprise and Regulatory Reform consult the Department for Environment, Food and Rural Affairs on the effect that the recommendations would have on primary producers? If so, has DBERR made contact with DEFRA on those issues?

Mr. Thomas: When the Government published their response to the initial Competition Commission report on 29 July, that response came from the whole of Government. All the interested Departments, not just my Department and DEFRA, were consulted in the preparation of the report. I shall come on to the question of future consultation across Government.

Andrew George: I am aware that time is against us, but before the Minister moves on will he reassure the House that the Government will in no way be influenced by the appointment of Sir Terry Leahy, the chief executive of Tesco, to the Prime Minister's Business Council for Britain? I understand that the council has been appointed to advise the Government on business matters in relation to the future of the economy of Britain.

Mr. Thomas: We have a high opinion of Sir Terry Leahy, which is why he was appointed, but we also have a high opinion of organisations such as Traidcraft and the National Farmers Union, who have slightly different opinions from Tesco on the issues that we are involved in. We are interested in everybody's opinions, but it is still the Competition Commission's responsibility to take forward the discussions with a large number of stakeholders, including non-governmental organisations and major multiple and minor grocery retailers. The commission hopes to conclude the informal consultation before Christmas. I understand that the hon. Member for St. Ives is among those who have met the Competition Commission to give their—

11.13 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Tuesday 16 December 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

MANCHESTER CITY COUNCIL BILL [*LORDS*] AND BOURNEMOUTH BOROUGH COUNCIL BILL [*LORDS*]

Motion made,

That the promoters of the Manchester City Council Bill [Lords] and Bournemouth Borough Council Bill [Lords], which were originally introduced in the House of Lords in Session 2006-07 on 21 January 2007, may have leave to proceed with the Bills in the current Session according to the provisions of Standing Order 188B (Revival of bills).—*(The Chairman of Ways and Means.)*

Hon. Members: Object.

CANTERBURY CITY COUNCIL BILL, LEEDS CITY COUNCIL BILL, NOTTINGHAM CITY COUNCIL BILL AND READING BOROUGH COUNCIL BILL

Motion made,

That the promoters of the Canterbury City Council Bill, Leeds City Council Bill, Nottingham City Council Bill and Reading Borough Council Bill, which were originally introduced in the House of Lords in Session 2007-08 on 22 January 2008, may have leave to proceed with the Bills in the current Session according to the provisions of Standing Order 188B (Revival of bills).—*(The Chairman of Ways and Means.)*

Hon. Members: Object.

NATIONAL CURRICULUM TESTS

Resolved,

That an humble Address be presented to Her Majesty, That she will be graciously pleased to give directions that there be laid before this House a Return of the Report, dated 16 December 2008, of the Sutherland Inquiry into the delivery of National Curriculum tests in 2008.—*(Ms Diana R. Johnson.)*

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

Smoking

1. **Jeff Ennis** (Barnsley, East and Mexborough) (Lab): What steps he plans to take to reduce the number of young people taking up smoking. [243631]

The Secretary of State for Health (Alan Johnson): Reducing smoking is a public health priority for the Government. We will bring forward legislation to remove the display of tobacco from retail environments and tighten requirements on vending machines. Both policies primarily aim to protect young people from smoking. Protecting young people will also be a key theme in our new tobacco control strategy.

Jeff Ennis: I thank my right hon. Friend for that very positive response. Does he recall the private Member's Bill that I introduced in October 2005, entitled the Age of Sale of Tobacco Bill, in which I proposed to raise the age for smoking from 16 to 18? That proposal was later incorporated into the Health Bill, I am glad to say. Is he also aware that, in Barnsley, one third of all smokers under 18 buy their cigarettes illegally from what are known—for want of a better expression—as the local fag houses? The problem is so acute that Barnsley council has set up a tobacco task group to look at the issue. What more can the Government do to stop the illegal sale of tobacco to young people?

Alan Johnson: I pay tribute to my hon. Friend for his sterling work over a long period of time to get the age of sale increased to 18. He asks what more we can do. From April next year, the "three strikes and you're out" rule will come in. If any retailer is caught selling cigarettes to under-age children three times, they will not be allowed to continue retailing. Other measures to tackle illicit tobacco are important, particularly in the context of the famous Barnsley fag houses that we are now learning about. Micro-chipping illicit cigarettes is an important development from Her Majesty's Revenue and Customs, for example. There is a whole range of steps that should be taken, but that should not detract from the public health initiatives that we are taking in removing tobacco from the point of sale and ensuring that we take action to regulate vending machines.

John Bercow (Buckingham) (Con): I welcome the Secretary of State's proposed legislation, which offers the prospect of real and lasting progressive change for the better. Will he tell the House what steps he is taking to enlist the services of some of our sporting icons—the Olympic gold medallists spring readily to mind—in trying to persuade young people of the dangers of smoking and the benefits of abstinence?

Alan Johnson: I thank the hon. Gentleman for his welcome for our proposals. He has raised an important point. We know that there is an issue about young people smoking. On average, 10 per cent. of 11 to 15-year-olds smoke, but almost one in five 15-year-old girls smoke. They take up smoking—as most of us did in our youth—because they see role models and people whom they admire smoking. The message from Olympians and others, which we will ensure is strongly put forward, will help in that regard. The research evidence clearly shows that the only place where tobacco can now be advertised is on point-of-sale displays and that that gives young people the impression that smoking is normal. That is what we are seeking to address with these proposals.

Mr. David Clelland (Tyne Bridge) (Lab): Regardless of the merits or otherwise of the proposals, does my right hon. Friend accept that carrying out the proposed work will involve costs to small shopkeepers? Does he have an assessment of those costs, and does he have any plans to compensate retailers for them?

Alan Johnson: I accept that there are issues for small retailers, and of course there will be a cost. The Save Our Shop campaign is the brainchild of the Tobacco Retailers Association, which is an offshoot of the Tobacco Manufacturers Association, which represents Imperial Tobacco, Gallahers and others in the smoking industry. The campaign is estimating the cost at something like—

Mr. Clelland: Make smoking illegal, then.

Alan Johnson: This might be totally irrelevant to the question that my hon. Friend asked, but the campaign has put the cost at something like £6,000. There is no evidence whatever for that. The evidence from the countries that have introduced these measures is that there is a maximum cost of £1,000. In Canada, it was £500. The cost of putting up the displays is met by the tobacco manufacturers—by the cigarette companies themselves. We will of course offer assistance to small businesses. That is why we are saying that this measure will not be introduced for small shops until 2013. That will give us plenty of time to have a full consultation and to ensure that this will not damage those businesses.

Sir George Young (North-West Hampshire) (Con): I also welcome the steps taken by the Government further to reduce the damage done by smoking-related diseases, but will the Secretary of State reflect on his decision not to make progress with one proposition that achieved 98 per cent. support in the consultation exercise—namely, the proposition that tobacco products should be sold in plain packaging? That seems to have been parked for the time being by the Government. Will the Secretary of State confirm that he is not ruling out considering that matter and that there remains a strong possibility of introducing it at some point?

Alan Johnson: The right hon. Gentleman has welcomed—indeed, two Opposition Members have welcomed—the proposals, unlike the Conservative Front-Bench team. I heard the argument from the Conservative Front Bench in last week's Queen's Speech debate that there was no evidence base for the proposals. I have to say, however, that despite the fact that the right hon. Gentleman is quite right about the huge response in favour of plain packaging, there is no evidence base that it actually reduces the number of young children smoking. We want to keep that under review, and when there is an evidence base for it, it could well be another important measure to meet our goal, which is to reduce the number of young people smoking.

David Taylor (North-West Leicestershire) (Lab/Co-op): As the chairman of the all-party group on smoking and health, I warmly welcome the proposals. There will not be evidence on plain packaging now, as we are the first country to suggest the measure, so it needs to be piloted in some way. May I say to the Secretary of State that I was disappointed in one aspect of the announcement—the failure to abolish vending machines, which are used as the medium of sale for fewer than 1 per cent. of all cigarettes? The suggestion that we can somehow tighten up to minimise the number of young people buying from vending machines is likely to prove a dead end. The sooner we introduce the abolition, the better.

Alan Johnson: I understand my hon. Friend's argument. We will take a power in the proposed Bill to ban vending machines. We were persuaded during the consultation, however, that there are other measures to restrict young people's access to vending machines without banning them. I do not think that Governments should move to banning things if there is another alternative. We were persuaded of the alternatives such as carrying out an age check before giving tokens to use in vending machines and other methods that have been used successfully to restrict access by young people. It is sane and rational to try those out first, to have the power to ban in the legislation if necessary and to move towards a ban if the other measures do not work.

Mr. Andrew Lansley (South Cambridgeshire) (Con): The Secretary of State knows that we want to proceed on the basis of evidence and he has appealed to evidence. Last Thursday, he told the House:

"The number of young smokers in Canada... was reduced by 32 per cent. among 15 and 19-year-olds as a result of the implementation of the measure."—[*Official Report*, 11 December 2008; Vol. 485, c. 724.]

Well, I asked the House of Commons Library to look at the statistics from Canada and it says that the tobacco display ban was not introduced in all provinces; that it was introduced only in Manitoba and Saskatchewan; and that since the tobacco display ban was introduced, there were no statistically significant results for any reduction in the number of young people smoking in either of those provinces. Will the Secretary of State simply apologise for giving the House an inaccurate presentation of the data on Canada and will he put a note in the Library explaining his basis for the proposition that there is a proven reduction in young people smoking?

Alan Johnson: That is an extraordinary position for the Opposition Front-Bench team to take, particularly when we have produced the research from the British Heart Foundation—

Mr. Stephen O'Brien (Eddisbury) (Con): It has just been shredded.

Alan Johnson: Well, if that is shredding—*[Interruption.]* The hon. Gentleman should hang on before he talks about shredding things.

What Cancer Research UK's extensive evidence shows—and it was all produced during the consultation period—is this: young people are more receptive than adults to tobacco advertising; being exposed to tobacco advertising and/or promotion increases the likelihood that a young person will take up smoking; and large displays of tobacco convey the notion that smoking is common. In Canada, 12 out of 13 provinces have introduced this legislation—and they have introduced it because there is absolute evidence, as there is in Iceland and other countries that have introduced it, that it reduces the number of young people smoking.

Norman Lamb (North Norfolk) (LD): Where else?

Alan Johnson: Thailand and the British Virgin Islands, if the hon. Gentleman wants an exhaustive list, but as my hon. Friend the Member for North-West Leicestershire (David Taylor) said, the point is this: someone has to be in the vanguard, which is why Australia and New Zealand

are preparing to introduce such legislation. It is hugely disappointing that there is not a political consensus across the three parties, because the evidence is clear, the evidence is there.

NHS Dentistry

2. **Paul Holmes** (Chesterfield) (LD): What recent assessment he has made of levels of access to NHS dentistry. [243632]

5. **Mr. Andrew Robathan** (Blaby) (Con): What his most recent assessment is of levels of access to NHS dental treatment; and if he will make a statement. [243635]

11. **Andrew Stunell** (Hazel Grove) (LD): What recent assessment he has made of the adequacy of levels of access to NHS dentistry. [243641]

The Parliamentary Under-Secretary of State for Health (Ann Keen): In the 24 months to the end of June 2008, 26.9 million people saw an NHS dentist. Improving access is a top priority and we have increased dental funding to more than £2 billion. In addition, last week we announced that we have set up a review to advise how we can ensure that everyone who wants to see an NHS dentist can do so. The review will be led by Professor Jimmy Steele of Newcastle university.

Paul Holmes: Over the past two years, my constituents have constantly approached me to say that their dentist has stopped doing NHS work and that, contrary to what the primary care trust website says, they cannot find a dentist in Chesterfield or Staveley who will take new patients. Yesterday, a Chesterfield dentist of 32 years' experience told me that the current contract is the most bizarre arrangement ever devised by man. Will the Minister finally admit that the Government got the contract completely wrong, that 1.2 million fewer patients are seeing NHS dentists and that the contract needs scrapping and rewriting as quickly as possible?

Ann Keen: The British Dental Association is working very positively with us on the contract. The review that we have recently announced is to ask how we can improve access, but there is no question but that access has improved throughout the country.

Mr. Robathan: There is a question whether access has improved throughout the country. I have been telling Ministers for some time that the majority of my constituents, me and my family cannot find an NHS dentist in Leicestershire. That is the fact. Access is not better. The review announced last week is an admission of the failure of the contract. Instead of a review, how about the Government saying what they are going to do about this now to improve access to NHS dentistry.

Ann Keen: I suggest that the hon. Gentleman calm down a bit, for the sake of his own health. I am happy to advise him on how to do that. Access throughout the country and the oral health of patients throughout the country have improved. The review is assisting us to improve access. There are open lists in his constituency. That has been stated by the primary care trust.

Andrew Stunell: The Minister will know that there are 24,000 fewer patients registered with NHS dentists in Stockport, compared with 1997. Stockport primary care trust has been offering extra sessions to try to fill the gap, but local dentists prefer to stay private, saying that the fee structure is not sufficient for them to provide a professional service under the NHS. Does she share my concern at the state of NHS dentistry in Stockport and will her review tackle the issue, whereby my patients are denied NHS treatment and, in a recession, are forced either to pay to go private or, worse still, to go without treatment altogether?

Ann Keen: The review will be guided by the principles of the NHS next stage review, ensuring that services are responsive to the needs of individual patients, that there is a strong focus on prevention as well as treatment, and that there are continuous improvements in the quality of care, especially in relation to the inequalities at the moment.

The whole House should also recognise the work that dentists have done with the contract and the improvements that have been made, such as the new treatments and the new dentists who are coming out of newly opened dental schools. I look forward to discussing the Health Committee report later this evening.

Dr. Doug Naysmith (Bristol, North-West) (Lab/Co-op): My good friend the Minister has read the recent Health Committee report on dentistry, so she will be aware that there are parts of the country where very few people have any problems accessing an NHS dentist. That is true in my area, where I serve constituents from south Gloucestershire and Bristol. We found that where commissioning is taken seriously by PCTs and they collaborate with the local dentistry profession, excellent results can be produced. What will she do to ensure that PCTs take this matter seriously and work with their dentists to commission good services?

Ann Keen: I thank my hon. Friend. The Health Committee report points out how bad things were in many parts of the country before the contract changed, and how good they are where proper commissioning takes place. That is without question. More work has to be done on commissioning and I know that Professor Steele will be looking at that matter seriously. I welcome the opportunity to share the report with the House soon.

Sir Paul Beresford (Mole Valley) (Con): I have a slight interest in this matter, as is well known. The Minister will be aware that there are 13,000 people with oral cancer at any one time in the UK. About 50 per cent. of those people will die, and the mortality rate is getting worse, not better. The key is access—and I believe, as do dentists, that the key to access is the contract. There has been an implementation group running for some time—I do not know its name because it has changed. What suggestions has it made to the Minister to change that contract to make it more desirable for dentists to work for the national health service?

Ann Keen: The Health Committee's suggestions on the hon. Gentleman's point are taken very seriously by the Department. We want to work with Professor Steele to see how access to oral health can be improved, which

the hon. Gentleman rightly raises as a concern; it is a concern to all of us. We want to make the contract work. So many people and PCTs are doing so, and this House should congratulate the dentists who have been working so hard through the new contract.

Joan Ryan (Enfield, North) (Lab): Availability of NHS dentists in Enfield is not our problem. In fact, there will be an 8 per cent. increase in the coming year, but there is a shortfall in uptake. It is a small shortfall, but none the less it is there. My PCT is going to run a major advertising campaign in the new year to deal with the matter, but constituents tell me that they are not entirely clear what they are entitled to and what it might cost them. Can I suggest that the way in which we communicate with constituents on such matters should be a major part of the review?

Ann Keen: I thank my right hon. Friend for her comments on behalf of Enfield. We have to look to PCTs, so many of whom are very imaginative in their advertising and in their use of communication skills, to encourage the best to help the rest. I believe that world-class commissioning will help in that process.

Mr. Gregory Campbell (East Londonderry) (DUP): Although health is a devolved matter in Northern Ireland, what steps can the Minister take in conjunction with other Health Ministers right across the UK to ensure that newly qualified dentists take on NHS patients, and that they do so in rural areas and in less populous areas, where the difficulty is more acute?

Ann Keen: We are increasingly looking at how we can share best practice with the devolved Parliaments, because we can learn so much from each other. Our new students coming out of dental school are showing a great willingness to work throughout areas, particularly where health inequalities exist, which tends to be more in rural areas because of issues of access.

Rob Marris (Wolverhampton, South-West) (Lab): Telephone services have an effect on access to NHS dentistry and to GPs. What is the NHS doing to cut back on the very regrettable but widespread use of 084 telephone numbers, which cost patients extra money? It is a scandal throughout Government, with thousands of 084 numbers being used, including a lot in the NHS. What are the Government going to do about that?

Ann Keen: I thank my hon. Friend for that topical point. We have announced and launched a public consultation today on this issue, which is due to run until 31 March 2009. It will inform the Government's decisions on the future of such numbers in the NHS. I certainly share my hon. Friend's concern about those actions, as do the ministerial team.

Mike Penning (Hemel Hempstead) (Con): The British Dental Association will be fascinated by what the Minister said earlier about working with it. This contract was imposed on dentists even though the BDA warned that it would not be any good for British dentistry. Also, a Minister was invited to this year's BDA national conference, but no Minister turned up, even though one was on the train going to Manchester when I was travelling to speak at the event. I know that we will debate this important issue later, and we have had an excellent report from the Health Committee, but can the Minister explain why she thinks things are going so well when 4,000 patients a day are not able to see an NHS dentist?

Ann Keen: On the point about the conference and meetings with the BDA, the chief dental officer and I have regular meetings with the BDA, and the consensus around the table is to work together, which I suppose would be alien to the hon. Gentleman. Working together in partnership with professional organisations that represent health workers right across the board comes naturally to Labour Members, and it will always continue to do so.

Vioxx

3. **Tim Farron** (Westmorland and Lonsdale) (LD): Whether he plans to meet Merck, Sharpe and Dohme to discuss compensation for those affected by Vioxx. [243633]

The Minister of State, Department of Health (Phil Hope): I have no such plans. The then Under-Secretary of State for Health, my hon. Friend the Member for Bury, South (Mr. Lewis), met representatives of the company on 10 July 2008 and conveyed to them the concerns expressed by Members.

Tim Farron: I thank the Minister for his answer. My constituent, Mr. David Jones of Elterwater, is just one of the many hundreds of innocent UK victims who have suffered severe health problems as a result of taking the anti-arthritis drug Vioxx. Following the landmark victory of Les Thomas in last week's court case in Cambridge and the $4.85 billion settlement already paid to American victims by Merck and Co., will the Government now put pressure on Merck to ensure that all patients whose health has been damaged by Vioxx are given the compensation they deserve?

Phil Hope: The hon. Gentleman knows that this is a very complex issue, and I have every sympathy with those UK patients—including his constituent whom he has mentioned—who believe that they have been adversely affected by Vioxx. As the hon. Gentleman knows, I cannot comment on individual cases, but I understand that the case he mentioned is not related to the matter concerning cardiovascular disease. It would be inappropriate for Ministers or Government officials to intervene in, or comment on, any current or potential claims for compensation from the company in question in this country, as they are properly for the legal system. However, patients who believe they have a case are not prevented from taking a test case to a court of law.

Miss Anne Begg (Aberdeen, South) (Lab): I wonder where the Minister draws the line on patient responsibility when they may know the potential dangers of a drug but still wish to take it because it is effective. I should declare an interest: I took Vioxx and I found it wonderful. It probably caused an ulcer, but I still agreed with my doctor to continue to take it because of its effectiveness, despite knowing of the risks. It was then withdrawn, so I could no longer do that. Vioxx is not the only such drug; there is also co-proxamol, for example, which has been withdrawn from use, too. It is difficult for people

with arthritis or joint pain to find an effective analgesic, because the ones on which they have come to rely have been withdrawn. Nevertheless, many such patients would accept the risks involved in taking those drugs and still take them.

Phil Hope: My hon. Friend speaks with great personal experience, and her question illustrates the complexity of these matters. It must, therefore, be right for it to be up to individual patients who believe that they may have been adversely affected in any such circumstance to make their own decisions about claiming for compensation and pursuing that through the legal system. It is certainly not appropriate for the Government to try to bring pressure to bear on an individual company in the circumstances my hon. Friend describes. These must be matters for clinicians and individual drug companies to decide, and it is for the National Institute for Health and Clinical Excellence to make recommendations as appropriate.

Norman Lamb (North Norfolk) (LD): The Minister's predecessor took a rather different view, and four years ago *The Lancet* concluded that:

"The licensing of Vioxx and its continued use in the face of unambiguous evidence of harm have been public health catastrophes."

This year, a leading US American journal claimed that Merck had drafted "dozens of research studies" on Vioxx and then got prestigious doctors to put their names to them—there was ghost-writing, in other words—and had misrepresented data. Given that most of the 400-plus victims of Vioxx in this country were NHS patients, is it not incumbent on the Government to intervene in this scandal and demand that Merck treats British victims in exactly the same way as US victims have been treated in the $4.8 billion settlement from which they have benefited?

Phil Hope: I understand the concerns of the hon. Gentleman and other hon. Members. My predecessor met a parliamentary delegation on the matter only this July, so representations have been made. I must emphasise to the hon. Gentleman that it is not appropriate for Ministers or for Government to intervene in, or comment on, a potential claim for compensation that might be carried out in this country and that is properly a matter for the legal system to address. I repeat to him that the Government do not have any ability to bring sanctions to bear on the company that he is describing. If patients believe that they have a case, they are not prevented from taking it forward in a court of law in this country.

Prescribing Costs

4. **Mr. Edward Leigh** (Gainsborough) (Con): How much the NHS has saved through more efficient prescribing in the past 12 months. [243634]

The Minister of State, Department of Health (Phil Hope): Annual growth in primary care prescribing costs in the year to March 2008 was 1 per cent. That is set against a 5 per cent. increase in the number of prescription items dispensed. Unfortunately, it is not possible to attribute a specific cash sum to more efficient prescribing, because variables, such as the cost of the drugs themselves, will affect the savings that are made by primary care trusts. I think that the hon. Gentleman can see that there has been some progression in efficient prescribing over the past year or so.

Mr. Leigh: The Minister may recall that in its 2007 report, the Public Accounts Committee recommended, and the Government accepted, that more than £200 million a year could be saved for the NHS by prescribing generic drugs, rather than branded ones, without any adverse effect on patients. Has that target of £200 million been achieved? Which PCTs have made the most progress and which have made the least progress? If he does not have the information to hand, he may write to me.

Phil Hope: The PAC report was very helpful, and I am grateful to the hon. Gentleman's Committee for the work that it has done. The health service pays an £8 billion drug bill at the moment, so I am pleased to be able to tell him that PCTs are making considerable progress. Generic prescribing has increased from 51 per cent. in 1994 to 83 per cent. in 2008—that is the highest rate in Europe. He will know that PCTs are independent bodies and that they make their own decisions about these matters, but we have issued guidance to PCTs. Although it is ultimately for them to decide, the practice-based commissioning that we have seen and other guidance that we have issued is definitely driving the NHS forward in the right direction, towards the more efficient prescribing of drugs.

John Mann (Bassetlaw) (Lab): Five thousand of my constituents have written to the Minister, via me, asking that their general practitioners be allowed to continue dispensing. Will he take heed of this Bassetlaw common sense?

Phil Hope: My hon. Friend has been at the forefront of the campaign on the issue of dispensing by doctors. We are analysing the responses to the consultation on pharmaceutical provision in England, and we will be making an announcement on these wider issues as soon as possible in the new year. I am aware of the strength of the responses we received on the various options for amending the criteria for dispensing by doctors. We have taken into account the views of those attending the listening events, the meetings and so on, and as a result I am pleased to announce to him that there will be no change to the current arrangements on GPs dispensing medicines to their patients.

David Tredinnick (Bosworth) (Con): Building on the remarks made by my hon. Friend the Member for Gainsborough (Mr. Leigh), does the Minister accept that if his June steering group report recommendation that there should be statutory regulation were implemented for complementary medicine, herbal medicine and acupuncture, that would create further downward pressure? That is because doctors would be prepared to refer to these practitioners, who charge a lot less, and, thus, the cost to the health service would be less.

Phil Hope: I thank the hon. Gentleman for his question; I shall certainly consider the contribution that he is making and write to him on the particular point that he raises.

Mr. Eric Illsley (Barnsley, Central) (Lab): Has my hon. Friend considered the wastage of drugs through inefficient prescribing, especially in relation to free

prescriptions? Many people accept the drug offered on the prescription, but do not use it. Even though the drug is unused and still in its original packaging, it cannot then be used and has to be destroyed. That loses the NHS a huge amount of money.

Phil Hope: I understand my hon. Friend's concerns and those of other hon. Members who have written to me about wastage. We are all concerned about wastage caused by unused medicines. The difficulty is that the recycling of medicines in the way that he and others have suggested is regarded as unethical and unsafe according to the code of ethics produced by the Royal Pharmaceutical Society. Indeed, some hon. Members have suggested that we could donate unused drugs to other countries, but the World Health Organisation guidelines state that no drugs should be donated that have been issued to patients and then returned to pharmacies. I understand the concerns about wastage, but we must take clinical matters into account when making decisions.

Dr. Andrew Murrison (Westbury) (Con): The Government have shown themselves willing to qualify the autonomy of primary care trusts when they feel it necessary to do so. Why then are they ignoring the huge disparity between the best and worst performing primary care trusts in the drug-prescribing habits of their practitioners and the related costs?

Phil Hope: I referred to that matter when I answered the question asked by the hon. Member for Gainsborough (Mr. Leigh). We are drawing the attention of primary care trusts to the value of more efficient prescribing commissioning, and—as I said—generic prescribing has increased from 51 to 83 per cent. We are making excellent progress and I hope that PCTs, autonomous bodies as they are, will none the less take notice of the guidelines that the Government have issued, which will ensure that we have more efficient drug prescribing in future.

Accident and Emergency

6. **Mr. Gordon Prentice** (Pendle) (Lab): Whether any of those accident and emergency departments redesignated as urgent care centres have subsequently been reinstated as blue light accident and emergency departments. [243636]

The Minister of State, Department of Health (Mr. Ben Bradshaw): Not as far as we are aware. It is up to the local national health service to ensure that urgent and emergency care meets national performance requirements as well as reflecting local needs.

Mr. Prentice: That is a disappointing reply. The transfer of blue light accident and emergency from Burnley to Blackburn has been a running sore for more than a year. Given the present capacity problems at the Royal Blackburn hospital, ambulances are again taking patients back to Burnley. Why cannot we reinstate our accident and emergency at Burnley general hospital, if necessary with a published protocol indicating where patients should be taken with their various injuries and conditions, whether it be to Burnley, Blackburn, Preston or even Manchester?

Mr. Bradshaw: I am nervous about intruding on what I understand to be the historic but friendly rivalry between Blackburn and Burnley. Seriously, however, I understand the organisation of services there to be a result of what clinicians felt would be the best way to concentrate specialist accident and emergency care in Blackburn and elective planned surgery in Burnley, which would avoid some of the cancellation problems that his local hospital was experiencing because of the need to deal also with accident and emergency cases. My hon. friend will also be aware that the democratic check on those organisations—in his case, the Lancashire overview and scrutiny committee—strongly supported the proposals. The recent problems that he mentions happen in many accident and emergency services when there are particular, localised and sudden pressures, and they are not peculiar to the reorganisation to which he refers.

Sir Nicholas Winterton (Macclesfield) (Con): Could the Minister confirm that the urgent care centres are in addition to accident and emergency provision, and not in place of it? The care centres are a better use of the expensive professional staff—doctors and consultants—instead of a way to close accident and emergency services. People who would have automatically gone to accident and emergency are being transferred to a more appropriate form of treatment.

Mr. Bradshaw: Yes, the hon. Gentleman is absolutely right. The decision at local level is made on a case-by-case basis, but he is right to draw attention to the benefits of urgent care centres in reducing the pressure on, and unnecessary referrals to, accident and emergency departments.

Mr. David Drew (Stroud) (Lab/Co-op): I hear what my hon. Friend says. One of the most difficult aspects of the way we now treat accident and emergency departments is how they must lock in carefully with the ambulance service. One of the continuing problems in Gloucestershire is the number of times that ambulances back up in the car parks of our two main acute centres. Is it not time to look at how the ambulance service operates in relation to accident and emergency, and consider ways we can improve that operation?

Mr. Bradshaw: Let me say loud and clear to the trusts, through my hon. Friend and any other hon. Members who experience that problem, that it is totally unacceptable for ambulances to back up either because they are being forced to do so by the accident and emergency department or because the ambulance service has decided to do so. I am sure he is aware that the clock starts ticking on the four-hour maximum wait 15 minutes after the ambulance arrives. Any accident and emergency department that thinks it can fiddle its achievement of the four-hour figure by keeping ambulances stacked up outside the hospital is wrong. That message has gone out loud and clear many times from this Department and I am happy to repeat it in the House today.

Mr. Stephen Dorrell (Charnwood) (Con): Will the Minister confirm that when making decisions about the structure of emergency care in the years ahead, it will be increasingly important to take account of not only the evidence on how to achieve the best clinical outcomes

but the resource implications of the different structures of emergency care? The Government have been signalling for some time that the rate of growth of cash available to the health services is going to slow down. In the pre-Budget report, the Chancellor made it clear that spending cuts were intrinsic to the Government's plans. Against that background, is it not important to begin to manage expectations about the structure of emergency care that is likely to be delivered by the health service in the years ahead?

Mr. Bradshaw: "Lower increases" would, I think, be a more accurate description of future spending projections. Of course, last week we announced annual increases of 5.5 per cent. and 5.5 per cent. for PCTs in each of the next two years. There will be lower increases from the Government, but there would be cuts from the Opposition, were they to get into government.

The right hon. Gentleman is absolutely right, and I commend the thoughtful remarks that he made at the King's Fund discussion either today or yesterday, which I read. He is right to say that high-quality care is often the most cost-effective care. There is no doubt—this is the pattern not just in this country but in other countries around the world—that when it comes to accident and emergency services it is safer, better and more effective to concentrate care in a smaller number of specialist units. It is often better for in terms of survival rates and health outcomes people to travel a little bit further to those specialist units.

Dr. Richard Taylor (Wyre Forest) (Ind): In view of the confusion that still exists among patients about whether they should go to accident and emergency, urgent care centres, minor injuries units or the out-of-hours GP centre, will the Minister tell us what progress he is making in establishing a single telephone number, less than 999, that would be relevant to each area and would direct every patient down the appropriate pathway for their area?

Mr. Bradshaw: Very good progress, I am pleased to tell the hon. Gentleman. However, he will have to be a little more patient before we make a formal announcement.

Mr. Stephen O'Brien (Eddisbury) (Con): Will the Minister find time before Christmas to go to Enfield and tell the people there why they do not need an accident and emergency department at Chase Farm hospital and why it will be replaced by a non-blue light service at the urgent care centre? The most recently published report by the experts, the College of Emergency Medicine, concluded:

"There is no evidence of the clinical or financial benefits"

of the urgent care centre model, and that the Government's proposals are

"clinically unproven and against the principle of patient choice of access to proper emergency care."

In the light of those statements, will the Minister and the Secretary of State reverse their decision to replace accident and emergency services at Chase Farm with an urgent care centre?

Mr. Bradshaw: The hon. Gentleman is aware—or at least he should be—that there is a potential legal challenge, if not an active legal challenge, to that case. I shall therefore not comment on his specific point. He will be aware that the proposals in north-east London have been through the democratic check of both the overview and scrutiny panel and the independent reconfiguration panel. Everybody—including the four primary care trusts, most of which cover boroughs with Conservative majorities—is agreed that the proposals are the best solution for the north-east London health economy.

North Yorkshire and York PCT

7. **Hugh Bayley** (City of York) (Lab): What recent assessment he has made of the financial position of the North Yorkshire and York primary care trust; and if he will make a statement. [243637]

The Minister of State, Department of Health (Mr. Ben Bradshaw): My right hon. Friend the Secretary of State was pleased to announce last week that North Yorkshire and York primary care trust will receive an 11.6 per cent. increase in funding over the next two years. That places my hon. Friend's primary care trust in the top quarter of increases in allocations.

Hugh Bayley: I have been arguing for years that the North Yorkshire and York PCT did not get enough money to meet the health needs of the large number of elderly people who live in what is a largely rural area, so I congratulate the Government on changing the funding formula to put that right. I am pleased that the PCT will get larger increases than the national average in future, but will the Minister do everything he can to ensure that it clears its deficit as soon as possible? That will ensure that this large amount of extra money will be used to provide new and better health services for patients, and not to clear historical debts.

Mr. Bradshaw: Yes, and I am delighted that my hon. Friend's persistent and effective lobbying on behalf of his local PCT has paid off. He will be aware that the PCT has gone through some difficult personnel issues, which are now being addressed. It is working very closely with his regional strategic health authority to ensure that the challenges to which he refers are overcome as quickly as possible.

Miss Anne McIntosh (Vale of York) (Con): Although I welcome the additional expenditure, will the Minister tell the House for how long the extra money will be available, and does he accept that the funding formula has to change? Per patient, the PCT and the individual hospital trusts have been receiving much less than the average, so will he review the patient formula? Will he reintroduce the factors that reflect the sparsity and rurality of the population because, as the hon. Member for City of York (Hugh Bayley) suggested, our ageing population lives in deeply rural areas? *[Interruption.]*

Mr. Bradshaw: Exactly, we have just done that—the new formula has been changed to take into account elderly populations, and that is why the hon. Lady's PCT has benefited so dramatically from the increase in funding. She asks how long the funding formula will apply, and I can tell her that it is for the next two years. At the end of that period, her PCT will still be 2.4 per cent. below target, but that is a good position for it to be

in as it will then have more catching up to do. However, it is far less likely to catch up under a Conservative Government, as her party is committed to cutting spending on health.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): Will the Minister review the role of patient referral units? They cajole patients to take up operations at the Capio private hospital in York, even though many would otherwise choose to have their operations in Scarborough.

Mr. Bradshaw: It is interesting to hear a Conservative Member running down the use of the private or independent sector in health care. No one is being cajoled to go into the Capio centre, but people are being offered a choice. I thought that Conservatives were in favour of choice.

Topical Questions

T1. [243656] **Mr. David Drew** (Stroud) (Lab/Co-op): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Alan Johnson): The responsibilities of my Department embrace the whole range of NHS social care, mental health and public health service delivery, all of which are of equal importance.

Mr. Drew: May I congratulate the Department on its foresight in supporting the local campaign to reuse the Standish hospital site in my constituency? It would appear that in January we are to get the good news that the site will be transferred back to the PCT, and we look forward to the development of a fully integrated care setting there. There have been two obstacles to the campaign's progress: my hon. Friend the Minister will know about the security issues with the site, but I am pleased to say that the listing of block C seems to have been sorted out. Will he ensure that this wonderful proposal sees the light of day, and will he give every support to the PCT so that it can see it through?

Mr. Bradshaw: Yes, and let me commend my hon. Friend for his active interest in this matter. He is right to point out that the two remaining blockages to progress have been removed: the Department for Culture, Media and Sport has decided not to list block C—having visited the site with my hon. Friend, I believe that that is a very sensible decision. In addition, problems to do with security and vandalism have been sorted out, and I look forward to an announcement that he will be pleased with being made in January.

Mr. Hugo Swire (East Devon) (Con): I recently chaired a seminar on Lyme disease in Westminster Hall, and two things became clear—that diagnoses of people suffering from Lyme disease are on the increase, and that sufferers are beginning to encounter the same scepticism that people with other chronic fatigue syndromes such as ME have been subject to. Will the Under-Secretary of State for Health, the hon. Member for Brentford and Isleworth (Ann Keen), address that matter? What instructions can she give to GPs to ensure that they treat more seriously the symptoms of long-term sufferers from Lyme disease?

The Parliamentary Under-Secretary of State for Health (Ann Keen): May I congratulate the hon. Gentleman on the work that he is doing on Lyme disease, and indeed other hon. Members who have shown an interest in that relatively new disease? Guidance on the diagnosis and treatment of Lyme disease is provided to general practitioners and other clinicians by the Health Protection Agency and is published on its website.

T6. [243661] **Christine Russell** (City of Chester) (Lab): My right hon. Friend the Secretary of State will be aware that more than 90 million working days are lost in Britain every year through mental health issues such as stress, anxiety and depression. Many employers do not quite know what to do about mental health problems, so may I invite him to look at the innovative work being developed by the Cheshire and Wirral Partnership NHS Foundation Trust, together with local employers across Cheshire and the Wirral, which is having significant results? In particular, I point out the partnership between the trust and Airbus; their work has resulted in a 20 per cent. reduction in staff absences at Airbus.

The Minister of State, Department of Health (Phil Hope): I am very grateful to my hon. Friend for drawing to my attention, and the attention of the House, the excellent work done by Cheshire and the Wirral, and the scheme involving Airbus, which she identified as working very well. She is quite right; there are issues to do with mental health and employment that need to be addressed. She will know that we launched a consultation on the subject earlier this year, and a report on the issue is due in the spring. Dame Carol Black is chairing a steering group that is looking into how mental health provision can be better tailored and integrated to help people to find, stay in or return to work. I will certainly draw to the steering group's attention the excellent work that my hon. Friend describes in her constituency.

T2. [243657] **Andrew Stunell** (Hazel Grove) (LD): Will the Secretary of State agree to take an urgent look at the perverse effects of the NHS's so-called choose and book system, which my constituents think should be renamed confuse and book? My local primary care trust is so fed up that it now routinely explains to my constituents that the system is nothing to do with it. It is certainly nothing to do with general practitioners, who often end up making the bookings on behalf of my bemused constituents, who cannot work their way through the system. Choose and book is certainly not helping my constituents, the overwhelming majority of whom would rather go to the local district hospital, Stepping Hill, than have what often turn out to be illusory offers of treatment elsewhere. Do Ministers accept that choose and book is putting at least three extra leaps between the consultant and the patient, and that the matter needs to be tackled urgently?

Mr. Speaker: Order. If the hon. Gentleman ever wishes to apply for an Adjournment debate, I guarantee that he will get one, but I need questions to be brief.

Mr. Bradshaw: No, we do not accept what the hon. Member for Hazel Grove (Andrew Stunell) says. I am afraid that it is the responsibility of his local primary care trust and GPs to manage the system efficiently and competently, as most primary care trusts and GPs across the country do, to the great benefit of their patients.

Mr. Kevin Barron (Rother Valley) (Lab): Will my right hon. Friend the Secretary of State confirm that the introduction of GP-led health centres will improve access to GP and primary care services, 12 hours a day, seven days a week, and that such health centres do not threaten well-run, easily accessible village surgeries?

Alan Johnson: I shall be very pleased to confirm that. Indeed, Bradford—not too far from my right hon. Friend's constituency—had the very first GP-led health centre, which I opened on 28 November. There, we found that people can drop in at any time. They are guaranteed not to wait more than half an hour, even if they have not got an appointment. The contract was given to a fabulous social enterprise formed by GPs in the area who are doing excellent work throughout Yorkshire. Such health centres are about improving access and increasing the capacity of primary care, so it remains totally mystifying why the Conservative party opposes those new services.

T3. [243658] **Mr. Henry Bellingham** (North-West Norfolk) (Con): Is the Secretary of State aware that there has been a very serious outbreak of norovirus at the Queen Elizabeth hospital in King's Lynn? Wards have been closed and all non-urgent operations have been cancelled. Obviously, the problem comes at a bad time for the hospital, as it is trying to pay off its historical debt. The problem could well have an impact on waiting lists and affect the hospital's finances. What advice could and does the Secretary of State give to hospitals in that position?

Mr. Bradshaw: Hospitals should know what to do in that position. This is not a new problem—as I am sure the hon. Gentleman is aware, it happens regularly at this time of year—and our latest understanding from the Health Protection Agency is that it is less bad this year than in previous years. However, it is important that hospitals take swift and immediate action and it is important, too, that people, not least hon. Members in the House, should not spread undue alarm by, for example, comparing this to health care-associated infections, the implications of which can be fatal.

T7. [243662] **Mr. David Kidney** (Stafford) (Lab): Will the Secretary of State confirm that the incidence of health care-acquired infections such as MRSA and C. difficile is down in 2008? Does he agree that at this time of welcome reductions it is all the more vital that all parts of the NHS remain focused on maintaining those clinical practices, standards of cleanliness and public education to drive out those infections completely?

Ann Keen: My hon. Friend is absolutely right. We have halved MRSA bloodstream infections across England, hitting our target, and we are making excellent progress towards the 2010-11 target to reduce C. difficile infections by 30 per cent. However, we must continue to drive that forward and drive home the message, not just with health professionals but with the public at large, and I am extremely happy that all our people are working all the time to make sure that that happens.

T4. [243659] **Andrew Rosindell** (Romford) (Con): Will the Minister explain to my constituents in Romford and the London borough of Havering why the operating framework from the Department of Health for 2009-10 does not give priority to the health and well-being of our increasing ageing population?

Alan Johnson: The operating framework that we issued this year has been well received in the NHS. We have ensured that instead of trying to prioritise everything, and thus prioritising nothing, we have focused attention on health care acquired-infections, which are a huge issue for older people, particularly the over-65s; on dementia; and on greater patient involvement. Those priorities all apply to older people. The dementia strategy, which we will shortly publish, is of particular benefit to older people, as is the debate on the reform of adult social care which, although not restricted to the over-65s, is very much the focus of that report.

T5. [243660] **Tony Baldry** (Banbury) (Con): It would be churlish to allow 2008 to close without thanking the Secretary of State for accepting in full the recommendations of the independent reconfiguration panel regarding Horton general hospital, and a lot of work has been done to try to balance accessibility issues and safety. May I trespass on the seasonal mood of good will to point out that the Leader of the Opposition, the shadow Secretary of State for Health and at least three members of the shadow health team all visited Horton general hospital in 2008? May I invite the Secretary of State or one of his team to come to visit the Horton general hospital in Banbury at some stage in 2009, so that when he considers these issues he can visualise the balance that we are trying to strike?

Mr. Speaker: Order. Once again, in topical questions, questions should be brief, not long. Short and sharp—that is the idea.

Alan Johnson: I thank the hon. Gentleman for his comments. What happened with Horton hospital was verification of the process, and the independent reconfiguration panel made those decisions on the basis of the clinical argument. I should be glad to visit the hospital, but I do not believe that I have ever received an invitation. Usually, I depend on an invitation before I pop up, so it would be nice to receive one.

T8. [243663] **Ben Chapman** (Wirral, South) (Lab): Can the healthy schools programme be revised, so that medicine policies and support systems for children with diabetes and other long-term conditions are taken fully into account?

Ann Keen: We are committed to improving diabetes care for children and young people, including the way in which the condition is managed in schools. The national clinical directors for children and for diabetes are working together to look at how to support the NHS to improve the way it cares for children with diabetes and other long-term conditions.

Mr. Andrew Lansley (South Cambridgeshire) (Con): The Secretary of State will know that the NHS Information Centre provided to 10 Downing street information from hospitals about people presenting with knife wounds—data that were unpublished, not yet validated and incomplete. That was done on the basis that the information would not be used publicly in that form. Can the Secretary of State tell the House whether he knew about 10 Downing street's intention to use those data and, whether he did or not, what steps he personally is taking to make sure that NHS data are not used for partisan purposes in that way?

Alan Johnson: I have nothing to add to the Home Secretary's comments yesterday, particularly her apology for what happened. The hon. Gentleman has written to the Information Centre and made a number of points, all of which will be answered in due course.

T10. [243665] **Tony Lloyd** (Manchester, Central) (Lab): Are my right hon. and hon. Friends aware of the campaign by thalidomide survivors, who make the point that that increasingly elderly population who were victims of a great tragedy many years ago are now beginning to suffer the ill-health effects of ageing? How do the Government intend to respond to their aspiration for proper recognition of their plight?

Phil Hope: There is, of course, huge sympathy across the House for individuals and families affected by thalidomide. My hon. Friend will know that a private compensation settlement was arranged many years ago—this is the 50th year, I think, since the tragedy occurred. In addition to the annual payments to victims, those affected by thalidomide will continue to benefit from ongoing improvements to health and social care in the circumstances that he describes, particularly the developments that we are introducing to help people with disabilities to get better social care. There have been substantial increases in the level of funding provided for health and social care services in recent years, and thalidomide survivors and their families will benefit from those services over the years ahead.

T9. [243664] **Mr. David Evennett** (Bexleyheath and Crayford) (Con): Figures given to me by the Minister in a written answer show that alcohol-related finished admissions to hospital in Bexley have increased by more than 70 per cent. since 2002. Does that not show that Government policies on tackling the public health problems caused by alcohol are not working, and why we need our vital accident and emergency hospital department at Queen Mary's in Sidcup?

Alan Johnson: On the hon. Gentleman's final point, I understand that the independent reconfiguration panel is considering the matter. On alcohol issues, the hon. Gentleman makes a serious point. The number of admissions as a result of alcohol is increasing. If one looks at the reduction in premature deaths from heart disease, cancer and cardiovascular disease against the increasing trend in diseases caused by too much alcohol, one realises there is a very real public message to get across. That is one of the reasons why, the week before last, the Home Secretary announced that she was taking measures to ban the promotions that lead to a large consumption of alcohol in a very short time such as "women drink free" and happy hours on which there will be restrictions. We need to look much more closely at how we introduce other public health messages so that people are aware that consuming too much alcohol is a real and dangerous health risk.

Speaker's Statement

3.33 pm

Mr. Speaker: Now that the House has concluded the debate on the Queen's Speech, I wish at the start of the Session to make a brief statement about the duties and responsibilities of Members.

Our ancient privileges allow us to conduct our debate without fear of outside interference. In particular, we enjoy freedom of speech, both in Committee proceedings and in debates on the Floor of the House. Parliamentary privilege is essential for proper democratic debate and scrutiny, but it should be exercised responsibly.

It is up to each one of us to ensure that, as individuals and collectively, we do not misuse the rights that we have. They should be exercised in the public interest. We must ensure that we follow the letter and spirit of the code of conduct and related rules that we have approved to regulate our business.

Each Member is here to represent the views of his or her constituents and to participate in the process of democracy. We should ensure that every Member is heard courteously, regardless of the view that he or she is expressing. Every member of the public has the right to expect that his or her Member of Parliament will behave with civility, in the best traditions of fairness and with the highest level of probity and integrity.

I turn now to security, not only for Members of Parliament but for the staff of this House, who work so hard on our behalf, and for those who are pass holders. I expect every Member of the House to co-operate fully with those officials who are responsible for the security that ensures that our democratic process is not disturbed and that visitors to Parliament can continue to be made welcome. While the work of the Boundary Commission continues, hon. Members have a duty to look after the constituents who elected them. The boundaries do not change until the next election, so we must obey the convention of not involving ourselves with another Member's constituency until after that time.

Mr. Peter Kilfoyle (Liverpool, Walton) (Lab): On a point of order, Mr. Speaker.

Mr. Speaker: The point of order must come after statements, and we have a few statements to hear.

Royal Mail

3.35 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I wish to repeat a statement made a little earlier by my noble Friend the Secretary of State for Business, Enterprise and Regulatory Reform about the Royal Mail. The Government are firmly committed to a universal postal service—that is, the ability of the 28 million homes and businesses across the country to receive mail six days a week with the promise that one price goes everywhere. The universal service helps to bind us together as a country. As well as having social importance, it is the means by which many companies build and operate their businesses. However, it does not come free.

Last December, my right hon. Friend the Member for Barrow and Furness (Mr. Hutton), the then Secretary of State for Business, Enterprise and Regulatory Reform, invited Richard Hooper to lead a full independent review of the postal services market. Its purpose was to look ahead to the future and recommend the steps needed to sustain the universal service in a world where technology, consumer behaviour and the communications market are all rapidly changing. The review did not cover the post office network. We have now received Richard Hooper's final report. It is a serious, wide-ranging study and makes sober reading. We are publishing it this afternoon, and I am grateful to Richard Hooper, Dame Deidre Hutton and Ian Smith for their work on it.

Let me set out Hooper's analysis of the challenges facing the Royal Mail. First, there has been a revolution in communications technology in the past decade as consumers have turned to e-mail, the internet and text messages. In this country, 60 billion text messages were sent last year, and we now send 5 million fewer letters per day than two years ago. Hooper is absolutely clear that the main challenge to the Royal Mail comes from the impact of changes in technology and consumer choices. His estimate is that last year the shift from mail to those new technologies cost the company £500 million in lost profits—that is five times the impact of business lost to other postal companies in our liberalised market. The message is therefore clear: making those other companies go away is not the answer to make the Royal Mail succeed. Royal Mail's success matters because it is the only company capable of delivering mail to every address in the UK, six days a week. As Hooper makes clear, that will be the case for the foreseeable future, so a healthy Royal Mail is vital to sustaining the universal service.

The second challenge that Hooper describes is that of efficiency. Hooper reports that Royal Mail is less automated and less efficient than its western European counterparts. In modern European postal companies, 85 per cent. of mail is put in walk order by machine for delivery to the individual home or business. By contrast, in British local delivery offices, that is still done entirely by hand. The Royal Mail urgently needs to catch up and modernise.

The third challenge is the pension fund. Hooper warns that Royal Mail has a large, growing and volatile pension fund deficit. That is near impossible for the business to manage, and it is a huge demand on its revenues. Each year, on top of its regular £500 million

[Mr. Pat McFadden]

contribution to the pension fund, the company is having to find an extra top-up of £280 million to plug the deficit. These payments look set to rise substantially when the fund is re-valued next year.

Fourthly, Hooper says that labour relations in the company need to improve. We know that levels of trust and co-operation are low and that industrial action takes place too often, and a fresh start in industrial relations is badly needed. Fifthly, there is regulation. Hooper reports a lack of trust in the relationship between the company and the regulator. There are disagreements about even basic information and those tensions divert energy from the chief challenge of modernising the business.

Overall, Hooper's conclusions are crystal clear: the status quo is untenable, the universal service is under threat, and we face the choice of either downgrading the universal service as we manage decline, or acting now to turn things around and secure Royal Mail's future.

At the heart of the Hooper report are three linked recommendations. First, Hooper recognises that the pension fund deficit represents a significant challenge for the company. The report recommends that as part of a package of changes, the Government should take over responsibility for substantially reducing the pension deficit. I stress that Hooper says that that would be justified only as part of a coherent package to secure Royal Mail's long-term viability. Secondly—and closely related to that—to improve its performance, Royal Mail should forge a strategic minority partnership with a postal operator with a proven record in transforming its business, working closely with the work force. Hooper believes that that would give Royal Mail the confidence, the experience and the capital to make the changes needed to improve performance and to face the future—in other words, save the Royal Mail by investing in its future.

Finally, on regulation, Hooper proposes that Ofcom should take over responsibility from Postcomm for regulating the postal market. Its primary responsibility would be to maintain the universal service in the wider context of other changes taking place in the communication markets. My Department will study the report in detail and we intend to respond with a full statement of policy in the early part of next year. With backing from the Government, Royal Mail has been improving performance in recent years, but progress has been too slow, and Hooper makes it clear that, in the face of the challenges confronting the company, transformation must be faster and more far reaching.

The Government agree with Hooper's analysis and recommendations. As he does, we reject cutting back the universal service; indeed, we share his ambition for a strong universal service and a strong Royal Mail. We intend to take forward the recommendations as a coherent package of measures. We will fulfil our manifesto commitment to

"a publicly owned Royal Mail fully restored to good health, providing customers with an excellent service and its employees with rewarding employment".

Bringing in a partner through a minority stake in Royal Mail's postal business will help us to deliver that goal. It will bring Royal Mail fresh investment and new opportunities to grow in Europe, and enable it to offer new services. It will provide a fresh new impetus to modernising the Royal Mail and to securing the universal service.

We and the Royal Mail have already received one expression of interest from the Dutch postal company, TNT, to build such a partnership. I very much welcome that approach from an experienced postal company, just as I will welcome other expressions of interest from credible partners should they come forward. My Department will pursue that in the coming weeks.

Finally, I should comment on the Post Office, which was not part of the review's terms of reference. The network of local post offices combines a unique set of commercial, public and social roles. In recognition of that, a partnership would not include the post office network. However, a healthier Royal Mail letters business will be good for the Post Office, and today's announcement will help underpin our existing commitment to the post office network. We are providing £1.7 billion until 2011 to support a network of around 11,500 branches. We will continue to support the non-commercial network beyond that time. The House will recall the recent announcement that the Post Office card account will stay with the Post Office. We will now build on that decision, to ensure a stable and sustainable network for the future. We are determined to have a post office network offering a broad range of services throughout the country, supporting both social and financial inclusion. I am delighted that the Select Committee on Business and Enterprise has agreed to undertake an inquiry into what further services the Post Office could offer.

I believe that Royal Mail and the postal market can thrive in the future, provided that decisive action is taken now. Without far-reaching change, the opportunities brought about by technology will become overwhelming threats. That need not be the case. I believe that there are benefits for everybody in the package of measures that we intend to take forward. It will protect the universal service for consumers and give Royal Mail new opportunities to modernise and develop; it offers Royal Mail's staff a future in a modern, efficient postal operator, with more secure pension arrangements; and it offers the whole country a Royal Mail that we can be proud of. I commend this statement to the House.

Alan Duncan (Rutland and Melton) (Con): May I thank the Minister for sight of his statement?

We welcome Richard Hooper's report, which confirms what everyone has known for a long time. Royal Mail's working practices are inefficient, competition is intensifying, industrial relations are poor and sorting machinery is outdated. The fixed price of a stamp and Royal Mail's huge pension deficit seriously limit its room for manoeuvre. All that has been clear for a decade, but the Government have done little to curtail a precipitous decline in Royal Mail's fortunes. Today we learn that the Government are trying to strike a deal to see them through the next election. They are trying to look like the saviour of Royal Mail, but are doing so in flagrant breach of their election manifesto and by raiding the pension fund to bail out Government borrowing.

Even though the Minister's own party does not seem prepared to do so, we on the Conservative Benches broadly welcome his intention to introduce a new commercial partner. It is a step in the right direction,

but the details remain unclear. Will the Minister confirm the status and details of the plans? What will private partners be offered in exchange for their investment? Will he demand a commitment from them to invest in new sorting technology? Can he confirm whether the opportunity to buy a stake in Royal Mail will be put out for competitive tender? By what commercial method might he sell a stake, believed to be about 30 per cent., and can he guarantee that all the revenues from any sale will go directly to Royal Mail and not to the Government?

The Government have had more than 10 years to deal with the problems that Hooper identifies, but they have completely failed to do so. In his first attempt as Business Secretary, Lord Mandelson said that the Government's policies would

"lead to greater investment in and strengthening of the local post office network, resulting in improved services to ordinary people in every part of the country."

adding:

"Everyone stands to be a winner".—[*Official Report*, 7 December 1998; Vol. 322, c. 24-36.]

Since then, almost 40 per cent. of all post offices have closed. Rather than creating innovative solutions to the problems facing the business, the Government have concentrated on managing its decline.

During those 10 years, the Government could have cut costs, done deals, forged partnerships or even, as they are now doing, part-privatised the business. However, until now, they have done none of these things. They have not driven through efficiencies in Royal Mail management; they have not invested in new technology; and they have not dealt conclusively with the pensions deficit. So just as the Government have wasted 10 years mismanaging the country, they have also wasted 10 years mismanaging Royal Mail.

Now, disguised in today's statement, is the truth. The Government intend to raid the pension fund in order to plug the black hole in the public finances, dumping the cost of a multi-billion pound liability on future generations. The seizure of £22 billion from Royal Mail's pension fund would make the Government's woeful borrowing figures look a little better, but it would saddle future generations with an almost open-ended bill. The whole process has been engineered to make a quick buck for the Prime Minister, kill the issue until after the next election and pass the biggest financial problem not only to the next Government, but probably to those who follow them. In order to asset-strip, the Government have decided that if there is not quite enough in the pot, they might as well swipe the whole pot.

Can the Minister tell us what he estimates the long-term annual pensions liability to the taxpayer to be? Will Royal Mail's pensions liability be included in the Government's borrowing figures? What exactly will happen to the £22 billion that is currently in the pension fund? Will the Minister keep the fund intact and top it up, or not? Has he been assured that such action would comply with European Union state aid rules?

The other issue is the unions. Royal Mail workers are already planning strikes. What does the Minister expect will be their reaction to today's proposals? We believe that any restructured ownership package must include the full involvement and incentivisation of the staff. What will the pension terms and conditions be for future joiners and for agency workers? Thousands of post offices have already closed; large-scale sorting office closures would be a further blow. What is the Minister's estimate of future job losses, and what is his assessment of the effect of a reconstituted Royal Mail on the income of post office branches?

Proposals for the serious reform of Royal Mail are welcome. Private capital to fund improvements in its services is welcome. We welcome, too, Mr. Hooper's focus on preserving the universal service obligation, and the proposed amalgamation of Postcomm and Ofcom into a sensible, tidied-up single structure. But after a decade of missed opportunities, the Government's last-ditch attempt to dangle the prospect of part-privatisation must not distract us from the real story: a bit of Enron accounting that will impose a huge bill on every family in the country for generations to come.

The Government are taking the funds that would have paid most of the pensions, and placing a new obligation on future generations to pay the bills that those funds would have covered. Yet again, the Government are stealing everyone's tomorrow for their today. For future generations, the bill is in the post—and it has the Prime Minister's stamp all over it.

Mr. McFadden: As ever, the hyperbole of the hon. Member for Rutland and Melton (Alan Duncan) disguises the lack of any credible policy in his party.

The hon. Gentleman implied that nothing had been done about Royal Mail for the last 10 years. I remind the House that, in 2007, the Government made available £850 million in reserves on the balance sheet to support the pension fund, that they made available loan finance to help Royal Mail to modernise, and that, back in 2001, they made available £500 million in loans to purchase the companies comprising GLS, which is Royal Mail's European logistics and parcels arm. Action has been taken and change has happened, but, as Hooper reports, that change has been too slow to meet the challenges confronted by the company in the face of changes in consumer habits and the burden presented by the pension fund deficit. I did not follow the hon. Gentleman's logic in that regard. The pension fund does have assets, but it also has liabilities. The problem is that the liabilities are greater than the assets, and that represents a significant burden for the company when it comes to meeting the costs.

The hon. Gentleman asked about figures. As I said in my statement, last year the company had to find an extra £280 million—on top of the normal £500 million contribution to the pension fund—because of the pension fund deficit. To help the company to deal with the deficit, we released funds that could be spent on modernisation and meeting the challenges.

We have received one approach from a potential partner, and we invite other approaches from interested potential partners. We will try to reach an agreement that is in the best interests of Royal Mail and the British public.

The hon. Gentleman mentioned state aid. Of course we are aware that other companies in Europe have undergone similar transformations. We are certainly aware of the critical importance to post office branches of Royal Mail's business. Having made the announcement on the Post Office card account just a month ago, we are looking forward to a more secure and sustainable

[Mr. McFadden]

future for those branches. There is nothing in the statement that I have announced today that will pose a threat to that.

Mr. Dennis Skinner (Bolsover) (Lab): Is the Minister aware that, in the real world, over the past nine months, the idea of privatisation and the halcyon days of 10 to 15 years ago have now disappeared? This Government have had to take steps to bail out some of the privatised companies so that they can carry on. The energy companies that were privatised are now ripping off the consumer, and the banking fraternity has had to be bailed out by the Government. Is it not strange to be talking about privatisation these days, when it has patently failed in so many areas? May I suggest that my right hon. Friend has a word with the Secretary of State and with this Mr. Hooper, whoever he is, and points out to them that things have changed in the past nine months? We are on a different set of rails now, and the sooner Mr. Hooper is told that—and that we should not invite in people like the Dutch TNT—the better this Labour Government will be.

Mr. McFadden: I have the greatest respect for my hon. Friend, and I can assure him that this company will remain publicly owned in line with the manifesto on which we fought and won the last general election. Bringing in a partner on a minority basis will give three advantages. It will give the advantage of the experience of having gone through change in a major postal company, which Royal Mail has not yet gone through; it will bring the confidence to carry through the decisions necessary for such change; and it will bring access to the capital needed to fund the modernisation. That is why it is an important part of the package that we have proposed today.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): I thank the Minister for giving me an advance copy of the statement and notice of the salient points. It is clear from a rapid reading of Mr. Hooper's report that it is a serious body of work that sets out in clear terms the challenges facing Royal Mail, and that it offers significant and major proposals. Mr. Hooper and his team should be congratulated on their work; in broad terms, the report deserves a cautious welcome.

For our constituents who value their postal service and their postmen and women, the key issue was always the maintenance of the universal service obligation, involving collection and delivery six days a week. I welcome the fact that it was clearly stated in the report and in the Minister's statement that the universal service obligation is to be maintained. However, as the statement makes clear, that objective requires a profitable Royal Mail, and that poses formidable challenges. I should like to ask the Minister some questions on these points.

Dealing with the pension deficit will clearly be critical. That burden must be dealt with and, unlike the Conservative spokesman, I believe that that proposal should, in broad terms, be welcomed. However, it raises two clear questions. First, will the Minister tell us which of the assets are to be transferred? Will it be all of them, or will some be left with the Post Office? Secondly, can he confirm that Royal Mail will continue to operate a pension scheme in the way that it has in the past, and that it will continue to be funded out of profits, as it has been in the past?

The report proposes a partnership, but leaves the detail to the Government. The statement, however, said that a private company would take a minority stake in the postal business. The former does not necessarily mean privatisation because it could be a joint venture into which both companies enter with no transfer of assets; the latter, however, requires a stake to be sold, which is part-privatisation, and requires a valuation. How will the Minister set about valuing that stake if that route is indeed chosen?

There is much in the statement that will need very careful scrutiny—for example, the regulatory changes look sensible broadly, but the manner in which they are conducted will have considerable impact on the future of the Royal Mail. Another example is the arrangements for the Post Office—arrangements that closely mirror the policies set out by the Liberal Democrats three years ago when we began to look at this problem. On the arrangements for postal competitors, it seems to me—I hope the Minister will accept this—that there is a requirement for a level playing field, and that we should look again into how to achieve that and into whether competitors should be required to pay in any way.

Those are details that must be gone into. The report is serious and needs to be taken seriously. As the Minister said and as the report makes clear, however, the status quo is no longer an option, as we recognised in our paper on the subject of three years ago. The devil will almost certainly be in the detail, as it is always so I end by asking the Minister for a clear commitment to a full debate on this subject at an early opportunity.

Mr. McFadden: I thank the hon. Gentleman for his broad welcome of our proposed changes. He mentioned the maintenance of the universal service obligation and it remains at the heart of the statement I made today and at the heart of our policy intention. We legislated to enshrine the USO in law and we are pleased to see that Hooper rejected the downgrading of the USO as an answer to the company's problems.

I also welcome the hon. Gentleman's broad support for our pension changes. He is right, of course, that there is more detail to be worked through and more to be announced on this matter, but the principle is clear—that, as part of a wider package involving partnership and a change in regulation, we seek to lift the enormous burden that funding the current pension deficit poses to the company.

On the issue of the partner, I say to the hon. Gentleman the same as I said to my hon. Friend the Member for Bolsover (Mr. Skinner)—that the company will remain publicly owned in line with our manifesto commitments. Our objective will be to get the best deal for the company and for the public in respect of those three key factors that a partner can bring: experience, confidence and capital.

On the issue of competitors, Hooper considered and rejected the idea of a levy on them in order to fund the USO. He was also clear—this is important—that of the challenges facing the company, the shift from mail to other forms of technology is much more significant than other challenges and will have a much greater impact than in respect of other postal companies operating in the market.

Mr. Peter Hain (Neath) (Lab): Will my right hon. Friend confirm that legislation is needed to allow a private competitor to come in and take a stake? Does

that not open the door to full-scale privatisation, which is against the wishes of our party and our Government? Will he also confirm that taking the pension fund on to the Government's balance sheet effectively lifts a burden of perhaps £700 million off the Royal Mail's balance sheet, so it either fattens the calf for a future privatisation or leaves the Royal Mail without that liability in a much more effective position to compete as a fully owned public sector organisation? Is not the real villain of the piece, notwithstanding the threat of electronic communication, the problem of unfair competition rigged against the Royal Mail in favour of private competitors, which undermines the universal service obligation and the ability of the Royal Mail to deliver it? Is not that the real problem that needs to be reformed?

Mr. McFadden: My right hon. Friend is correct to say that legislation would be needed to take these changes forward, but he is not correct to say that that opens the door to privatisation of the company, because as I have said our manifesto commitment is clear and the company will remain publicly owned under the proposals I have outlined today.

My right hon. Friend talks of pension changes. Hooper is quite clear that those could be justified only in the context of wider reform of the company and wider change in it. That is why this should be viewed as a coherent package, not as a menu of items to be picked one by one.

I am afraid that I have to disagree with my right hon. Friend when he says that the main issue is other postal companies, not technology. Hooper concludes precisely the opposite and quantifies the effect of those two things on the company's balance sheet. He concludes that the impact of technological change is five times greater than that of any competition with other postal companies. I am afraid that the main challenge is not other postal companies; it is the change in lifestyle that the technological revolution has brought about.

Peter Luff (Mid-Worcestershire) (Con): I am not sure how much I will help the Minister when I say that I think that the review team has done an excellent job and that the Government's indication that they intend to accept the broad thrust of the recommendations is a sensible decision indeed. Post Office Ltd and Royal Mail Group both face huge challenges and the report recognises the scale of those challenges, but huge numbers of questions on the details remain to be answered. For example, what will be the relationship between Post Office Ltd and Royal Mail Group in this new world, with a part-owned subsidiary run by a current competitor of Royal Mail Group? The regulatory changes needed to bring Postcomm into Ofcom are clearly important as far as Richard Hooper is concerned, but again legislation will be required. Over what time scale can we expect that legislation?

Mr. McFadden: The hon. Gentleman asks two questions. The first relates to Post Office Ltd. As I said, we are acutely aware of the importance of the relationship between Post Office Ltd and Royal Mail, and acutely aware that those arrangements enable the delivery of the universal service. It is our priority to keep the universal service, not to downgrade it. Therefore, we will be mindful of the importance of that to Post Office Ltd going forward.

On regulation and other details, as I said, we will make a fuller statement in the new year, but Hooper's essential recommendation on this is clear: it is time for a change from the regulatory regime governed by Postcomm to a wider regulatory framework placing the Post Office in the context of the wider communications market and also ensuring that Ofcom's primary responsibility in this field will be the maintenance of the universal service.

Geraldine Smith (Morecambe and Lunesdale) (Lab): Does the Minister not recognise that most of the current financial difficulties facing Royal Mail stem from the postal regulator exposing it to unfair competition, allowing the vultures to pick clean the most profitable parts of the business? Does he not accept that the many years of contributions holidays taken by Royal Mail have played a major part in the build up of the pensions deficit that it now faces?

Mr. McFadden: I know that my hon. Friend is a passionate campaigner for post offices and Royal Mail, but I have to point her to Hooper's conclusion on the very point that she raises, which is that the principal challenge facing the company is not that from other postal companies, but the far greater challenge and the far greater impact on the company's balance sheet caused by the shift from mail to other forms of technology. Making the other postal companies go away is not an answer to the challenges facing Royal Mail.

On the pension fund, regardless of what has happened in the past, we recognise that that is a major problem for the company. Therefore, as part of a package of wider changes, we are prepared to address the pension fund deficit.

Malcolm Bruce (Gordon) (LD): While I welcome the Minister's assurance on the universal service, will he give a further assurance that it will mean what it says and will not lead to variations in charges on a regional basis or in delivery times? Many people living in rural parts of the country do not have access to competitors and depend on Royal Mail. They are already finding a diminution of service. Does a universal service mean what it says?

Mr. McFadden: Universal service means a one-price-goes-everywhere delivery, six days a week. That is enshrined in law, we are committed to it and it is at the heart of the reforms we have proposed today.

Michael Connarty (Linlithgow and East Falkirk) (Lab): I look forward to reading the Hooper report, which should have come out last week, just before I visited my local delivery offices where people wanted to know about their future. This is a massive industry in which 30,000 to 40,000 people have already lost their jobs. I have some questions. What does it mean to say that the pension fund would be reduced substantially? If a burden is left that chokes up the new arrangement, the problem will not be solved. From my information as secretary of the Communication Workers Union in this House, I understand that TNT runs on a part-time basis. It brought in technology and paid off all its full-time workers, so that people get 22-hour contracts. Is that the future for post office workers?

[Michael Connarty]

The Minister says that it is a package. It is a curate's egg, and the question is whether people will swallow it—

Mr. Speaker: Order. I understand the hon. Gentleman's deep concern, but Members have one supplementary question in these sessions because other hon. Members want to get in.

Mr. McFadden: As I have said to other right hon. and hon. Members in response to questions on the pension fund, our concern is to reduce the liability posed for the company, but only in the context of the wider change that Hooper set out in his report. The company that my hon. Friend mentions has made an approach to the Government. There may be other approaches in the coming weeks and months, but our intention will be to find a partner who can provide the three key qualities that Hooper mentioned in his report: the experience of having gone through major change in a postal network, the confidence to carry through such change and access to the capital necessary to finance it.

Ann Winterton (Congleton) (Con): When exactly do the Government expect to introduce legislation on their proposals, and will it be within a Bill additional to the Bills recently announced in the Queen's Speech?

Mr. McFadden: Legislation to carry these proposals forward would be in an additional Bill. I cannot say exactly when it would be introduced, but we will be working out detailed proposals on these matters in the weeks and months ahead.

Mr. Don Touhig (Islwyn) (Lab/Co-op): I welcome the debate that will now ensue after my right hon. Friend's statement, and I say to him that without radical reform and a substantial change to senior management, Royal Mail does not have a future at all. Can he tell the House whether the Government will engage directly with those who work for the Royal Mail? I have no confidence whatsoever that the present management will discuss the matter with them.

Mr. McFadden: I am grateful to my right hon. Friend for acknowledging the urgency of change. He asks whether we will speak to the work force about the changes. Of course we will speak to them. As I said in my statement, it is time for a fresh start in industrial relations in the Royal Mail, and that fresh start is essential in the carrying forward of proper reform.

Lorely Burt (Solihull) (LD): May I ask the Minister about access headroom? Many in the Royal Mail feel that that issue has constrained its competitiveness for a long time. Now that it is to be part-privatised, will the Government still be able to dictate matters such as access headroom to the Royal Mail?

Mr. McFadden: I repeat that the company will remain publicly owned in line with the Government's manifesto. The hon. Lady is right to say that access headroom has been controversial, and that people have raised a number of issues about it. It is a matter for the regulator, and in the context of the regulation change proposed by Hooper, it would be a matter for Ofcom in the future. It is important to remind the House that Hooper concludes firmly that the key challenge facing the company is not from other postal companies, but from other technologies. That is what lies behind a drop in the volume of mail of some 5 million items a day, and that drop is not just taking place in the UK, but in many other countries for precisely the same reason.

Mr. Lindsay Hoyle (Chorley) (Lab): I recognise that my right hon. Friend has made this statement, but I am not convinced by Hooper's recommendations. New technologies may have reduced letters by 5 million over two years, but the number of packages and parcels have substantially increased. Therefore, we ought to be getting into that business. Let me explain where we are really missing the point, however. It is not about selling off the silverware and looking for partners. We must charge private companies sufficiently high sums to ensure that Royal Mail makes a profit and is not subsidised by the taxpayer, because bulk mail is having a free ride at the expense of taxpayers. If we put that right, Royal Mail will begin to make a profit. Let us do it that way, not the privatisation way.

Mr. McFadden: My hon. Friend is correct to point to a growth in packet volumes as a result of people ordering over the internet, but that is not enough to counteract the falling volumes of mail. Overall, mail has fallen by 5 million items a day. My hon. Friend takes us back to the issue that the hon. Member for Solihull (Lorely Burt) and other Members raised by contending that the principal problem facing the company is competition from other postal companies and the terms by which that competition is conducted. Hooper concludes that that is not the case, and that the impact of that is just one fifth of the impact of the shift from mail to other technologies. Therefore, changing the regime for upstream access or headroom pricing will not deal with the Royal Mail's problems. That demands wider change and wider reform.

Mr. David Curry (Skipton and Ripon) (Con): I bet the Minister is looking forward to taking this through the House!

On what date was the pension fund last valued, by how much has the stock exchange declined since, and will the Minister have another shot at defining "substantial", as used in the statement he has just given?

Mr. McFadden: The valuation takes place every three years. I think I am right in saying that the last valuation was in 2006, so we expect the next triennial valuation to take place early next year. We expect it to have grown substantially from the valuation in 2006 of a £3.4 billion deficit. That starkly shows the size of the burden imposed on the company, which is why, in the context of a package of wider reform, it makes absolute sense to relieve the company of that burden, so it can concentrate on the investment that is required to finance the transformation that the Royal Mail sorely needs.

Kate Hoey (Vauxhall) (Lab): How will the Minister—and, indeed, his Secretary of State—convince the public and many Members on the Labour Benches, and perhaps in all parts of the House, that this is not just the slippery slope to privatisation? We have seen this happen in the

past: is it going to happen in the future? Will the Minister also tell us why on earth the Government feel they have to invite a foreign country's private postal operator to come in, when they could in fact fully support this highly valued public service?

Mr. McFadden: My hon. Friend asks how we can convince the public. The public want a strong USO, secure for the future. We do not have that at present, because the challenges I have outlined today—the transfer to different technologies, the pension deficit, the lack of efficiency in changing the company—mean the USO is now loss-making. We want to address that, put the company on a stronger footing, and make sure the USO is secure for the future.

On the slippery slope issue, I again remind my hon. Friend of our manifesto commitment for a publicly owned Royal Mail. We will have a publicly owned Royal Mail, and any partnership would be only on a minority basis.

Mr. Mike Weir (Angus) (SNP): The devil may very well be in the detail, but we are being offered very little detail today to find out where that devil lurks. The Hooper report states:

"Experience from other countries suggests that the company could provide the universal service with around half its current mail centres."

Does the Minister accept that, and what is his estimate of the number of job losses as a result of this announcement?

Mr. McFadden: The company is already going through a process of reducing the number of mail centres. Automation will mean fewer mail centres in future, as, I believe, both the company and the work force are aware. It is not for me to say exactly how many jobs would be involved, but automation will mean fewer mail centres. Many other western European postal organisations have gone through precisely that process.

John McDonnell (Hayes and Harlington) (Lab): May I quote from the statement? It mentions, "Bringing in a partner through a minority stake in the Royal Mail's postal business". That will be interpreted by almost every postal worker as privatisation, no matter how the Minister dresses it up, and it conflicts with a commitment to a wholly publicly owned service that we gave that work force. What role will the Government play in offering the work force a sense of security in respect of the threat of job losses and the security of long-term employment, because those workers have served this country well over generations of commitment to this public service?

Mr. McFadden: I acknowledge the work force's contribution. This package offers them a more secure future for their pensions than would otherwise be the case. The Government established the Hooper review to examine how the Royal Mail can succeed in a world in which electronic and other forms of communication provide increasingly attractive alternatives to the mail and in which there is more competition in postal markets. That is precisely what Hooper has done in his report, which has been published today. Its recommendations are a consequence of our fulfilling a manifesto commitment to carry out this review.

Mr. Michael Jack (Fylde) (Con): The importance of postal workers to the communities they serve cannot be underestimated, so under the new capital structure, which the Minister has outlined to the House today, will postal workers be able to acquire an equity stake in the new business? Do his proposals for the pension fund restructuring breach the state aid rules?

Mr. McFadden: The intention in the Hooper report is for Royal Mail to partner another postal firm that has experience of going through this kind of change. It is not a share floatation that might be talked about in another context; this is a partnership with another postal firm. Of course, we will be mindful of the state aid rules in any reform package that we take forward.

Mr. Gordon Prentice (Pendle) (Lab): We are not going to sub-contract our judgment to Richard Hooper, who is a former vice-chair of Ofcom. We want a wholly publicly owned Royal Mail, and I will not support any legislation that privatises it. Is it not the case that over a very long period Government policies have been designed to weaken the Royal Mail in order to encourage competition into the market? Is it not scandalous that new entrants have been allowed to undercut the Royal Mail? There has never been a level playing field in the provision of postal services, and it is completely disingenuous for the Minister to advance this argument—

Mr. Speaker: Order. Other hon. Members want to get in.

Mr. McFadden: I cannot accept that the Government have weakened the Royal Mail. We have lent the company money to make new acquisitions, and put up money to support the pension fund and to finance modernisation. But that process has not proceeded quickly enough in the face of the challenges that the company is facing. Today's report concludes that new entrants are not the primary problem for the Royal Mail—new technology is.

Mr. Edward Leigh (Gainsborough) (Con): One of my many failures in this place occurred 15 years ago, when, as Post Office Minister, I tried to privatise the Post Office. In the light of the Government's acceptance of the importance of private capital, may I welcome new Labour to the Thatcherite wing of the Conservative party?

Mr. McFadden: As I have made clear a number of times, we will maintain the Royal Mail as a publicly owned company, in line with our manifesto commitment to have a publicly owned Royal Mail.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): The fact that the Hooper report has now been published is welcome, as it allows decisions to be taken and discussed in the context of the whole picture instead of the piecemeal way in which they have been announced thus far. The mail processing centre in my constituency is one of those under threat. Would the Minister agree to meet a delegation from that mail processing centre so that he can understand the context of the decisions that are being made for my constituents, including both those served by and those working in the centre?

Mr. McFadden: I am always happy to meet hon. Members and any delegations they wish to bring, but Hooper is clear in his report that what the company needs is less political interference in its day-to-day decision making, not more. The future of mail centres must be for the company and the union to negotiate: it is not for Ministers to dictate operational matters such as where mail centres should be situated.

Mr. Alan Reid (Argyll and Bute) (LD): I welcome the commitment to the universal service obligation, but if Royal Mail is to be in a position to continue to deliver it, it must be adequately funded and have fair competition. Will the Minister consider a levy on companies that are not implementing the universal service obligation and are using the money to pay Royal Mail to do so? At present, too many private companies are cherry-picking the easy side of the business.

Mr. McFadden: Hooper considered and rejected the idea of a levy, because the real challenge is to make the changes necessary in Royal Mail to enable it to deliver the USO while not running at a loss, as it is at the moment. That requires changes in automation, the changes that have been mentioned to the pension fund, and other regulatory changes that we have outlined today.

Ms Katy Clark (North Ayrshire and Arran) (Lab): The Minister will be aware of the existing very low morale in Royal Mail, partly because the work force has to deliver for private sector competitors at a loss. He will also be aware of press reports today that up to 50,000 job losses could result from the proposals. Will he tell the House what implications the proposals have for jobs? Surely he must agree that the proposals go against the spirit of the manifesto commitment given by the Labour party?

Mr. McFadden: I do not accept that the proposals are not consistent with our manifesto, as I have said several times, because the company will remain publicly owned. My hon. Friend talks of low morale, and it is true that there has been a history of industrial relations problems in Royal Mail. Ascribing blame serves no good purpose, and a fresh start in industrial relations is needed if change is to proceed at the pace and in the spirit necessary to get the company into the shape necessary for the future. We need a fresh start in industrial relations, and there is a lot in these proposals for the work force, not least security for the pension fund as part of a wider programme of change.

Mr. Andrew Mackay (Bracknell) (Con): I congratulate the Minister on his courageous decision to part-privatise Royal Mail and assure him that when he introduces the legislation we will vote for it, so that—despite the clear number of Labour rebels that there will be—he will get it through.

Mr. McFadden: I believe that the legislation to implement these proposals is in line with our manifesto and offers a good future for Royal Mail, its work force and the public.

Mr. Frank Field (Birkenhead) (Lab): May I offer the Minister an opportunity to deny specifically the allegation that the Opposition spokesman yelled from a sedentary position—that the Government are intent on stealing the assets of the pension fund? Will he confirm that what we will be discussing is the pension fund and its assets remaining in existence, and the terms on which taxpayers may contribute further to overcoming the deficit?

Mr. McFadden: As I say, the hon. Member for Rutland and Melton (Alan Duncan) has a weird concept of stealing if he thinks that our proposals amount to stealing. The proposals take into account the fact that there are assets and liabilities in the pension fund. The problem for the company is that the liabilities are far greater than the assets. The Government will therefore try to address that problem to relieve the company of the burden of the additional payment that that deficit poses for it at the moment.

Bob Spink (Castle Point) (Ind): Let us be clear: decent, hard-working Royal Mail staff and their families are approaching this Christmas deeply worried. Can the Minister guarantee that there will be no forced redundancies as a result of his statement, and will he make it his policy to start to return public business to the Post Office?

Mr. McFadden: As I said in my statement, the Hooper review did not cover the network of post office branches. Our intent was illustrated several weeks ago when we announced that the Post Office card account would go to the post office network. I am glad to say that the Select Committee on Business and Enterprise has agreed to undertake a further inquiry into what further work might go to the post office network. I know that that is valued on both sides of the House.

On the question of the staff, I return to what I said to my hon. Friend the Member for North Ayrshire and Arran (Ms Clark) when she said that morale was low. I accept that there has been a history of industrial relations problems in the Royal Mail. I believe that there is a need for a fresh start, and I do not believe that much can be gained by blaming anyone for the history of industrial relations problems. There is a lot in the statement for the staff at Royal Mail, who have worked hard and made a hugely important contribution. There is a lot in this for the staff, particularly when it comes to the pension fund proposals.

Mr. Russell Brown (Dumfries and Galloway) (Lab): I thank my right hon. Friend for the commitment that he has given to the universal service obligation, which means so much to a rural constituency such as mine. I and a number of Labour colleagues met the regulator before he took up post and officially started to liberalise the service. We warned the then Secretary of State and Ministers with the relevant responsibilities that we were about to see a butchering of the service. What happened in such a short space of time should never have happened to the extent to which it did. It is not beyond the wit of the work force or the Royal Mail management team to deliver for this country what we require without the interference—I shall put it no more strongly at this point—of a third party to partner the business.

Mr. McFadden: Hooper is clear that his recommendations are a package and that they stand or fall together. That is the view that the Government take. My hon. Friend mentioned the regulator and, as I have said, under the

proposals the regulator will change from Postcomm to Ofcom. However, on the effect of the liberalised market on Royal Mail, I repeat that Hooper makes it very clear that the main impact on the company's balance sheet comes not from other postal companies or the terms of that competition but from the shift from mail to other technologies. That is having by far the most major impact on the company's balance sheet.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Many of us predicted the impact of what Hooper refers to as "asymmetric competition" at the time of liberalisation. I observe that paragraph 193 of the report states:

> "Competition reduces Royal Mail's revenue available to support the universal service. And some forms of competition may be inefficient if they simply exploit the constraint placed on Royal Mail to provide the universal service."

Notwithstanding what he told my hon. Friend the Member for Argyll and Bute (Mr. Reid), will the Minister keep the door open on the possibility of a compensation fund at some future point? My constituents can tell him from their experience of the parcel post market that if liberalisation takes place without proper protection, a universal service might exist but it will exist in name only.

Mr. McFadden: We are determined to ensure that the universal service does not exist in name only. We understand its value socially and in terms of the one price goes anywhere service, which I suspect is valued in the hon. Gentleman's constituency. Let us be clear about Hooper and competition. He says that competition has had benefits. He does not accept the analysis that the Royal Mail's problems were caused by opening the market to liberalisation. Instead, he paints a picture of much more deep-seated problems of a failure to modernise, a growing pension fund deficit and a transfer in consumer habits from mail to other technologies. That is why he proposes a far-reaching package of extensive reform.

Family Justice

4.35 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): With permission, Mr. Speaker, I shall make a statement about the opening up of the family courts. I have today laid before Parliament the document "Family Justice in View", copies of which will be available in the Vote Office and on my Department's website.

Family courts play a crucial role in our society. They make far-reaching decisions—for example about how to divide finance on divorce, or what protection to give victims of domestic violence—and they make life-changing decisions about the future of children: whether they should be given contact with their parents, whether they should be removed into the care of the state, and whether they should be placed for adoption. The decisions of family courts have profound and long-term effects on the lives of those involved and cumulatively on society as a whole.

Family cases can be conducted in the magistrates family proceedings courts, in county courts, and in the family division of the High Court. All those with responsibility for these proceedings are well trained and work to extremely high standards. It is vital that these courts, like any others, command the confidence of the public, if the public—including the parties involved—are to accept their decisions. That can best be achieved if justice in these courts is seen to be done.

For entirely legitimate reasons, the privacy of parties to family proceedings must be properly protected. That is of enormous importance to adults, and is an overwhelming imperative in cases involving children. At present, with some exceptions, neither the public nor the media are permitted to witness proceedings in these courts. However, many argue that the current provisions to safeguard privacy and confidentiality go too far, leaving family courts unfairly open to accusations of bias or even injustice.

In contrast, there is a greater degree of openness in the youth courts. For example, the media are allowed to witness and report proceedings in the youth courts, so long as they do not identify juvenile defendants, and youth courts have a wide discretion to allow others to attend. These rules have worked effectively, and both their spirit and their letter have been well respected by the media.

The debate about opening up the family courts has intensified in recent years, and two successive consultations have been carried out, in 2006 and again in 2007. The results of those exercises were inconclusive, with strong representations on the one hand in favour of improving transparency, and on the other in favour of maintaining the current position.

In the past few months, the Under-Secretary of State for Justice, my hon. Friend the hon. Member for Lewisham, East (Bridget Prentice), who has responsibility for access to justice, and I have been actively considering how we can shed more light on family courts while preserving the imperative of the welfare of the child. The Government have now reached their conclusion, and I am therefore announcing today that the rules of court will be changed to allow the media to attend family proceedings in all tiers of court.

[Mr. Jack Straw]

Understandably, the media will be subject to reporting restrictions similar to those that apply in the youth courts. The courts will be able to relax or increase those restrictions in appropriate cases, and will have the power to exclude the media from specific proceedings altogether where the welfare of the child or the safety of the parties or witnesses requires it. The overall effect of these changes will be fundamentally to increase the openness of family courts, while protecting the privacy of children and vulnerable adults.

As well as allowing the media to attend family proceedings, there is a need to increase the amount and quality of information coming from the courts. At present, anonymised judgments of the Court of Appeal, and in some instances of the High Court, are made public, but that is not the situation for the county courts or the family proceedings courts, which deal with the bulk of family law cases.

We have therefore decided to pilot the provision of written judgments when a final order is made in certain family cases. The courts in the pilot areas—Leeds, Wolverhampton and Cardiff—will, for the first time, routinely produce a written record of the decision for the parties involved. In selected cases, where the court is making life-changing decisions for a child, it will publish an anonymised judgment online, so that it can be read by the wider public.

The consequences of family proceedings are so significant that the parties involved will sometimes need to seek advice or support from a range of people, including legal advisers, family members, medical practitioners and Members of Parliament or other elected representatives. To do so, they must be able to discuss and share information about their case. In 2005, we made changes to the rules of court to allow people to disclose certain information to specified individuals, but after two years it became clear that those rules remained unnecessarily restrictive and too complicated. Following a consultation last year, the Government have now decided to relax the rules on the disclosure of information in family proceedings.

Parties and legal representatives will be able to disclose more information for the purpose of advice and support, mediation, the investigation of a complaint, or—in an anonymised form—for training and research. In more cases, the person receiving the information will be able to disclose it to others, for the purposes for which it was originally disclosed to them, without seeking the permission of the court. To protect the anonymity of children after proceedings have concluded, the decision of the Court of Appeal in Clayton *v.* Clayton will be reversed. In principle, that decision removed the protection of the court once proceedings had been completed, although that protection could be reapplied in particular cases.

Most of the key changes that I have announced today can be made in the rules of court, without the need for primary legislation, but some will require legislation, including the reversal of the effect of the decision in Clayton *v.* Clayton and the potential opening-up of adoption proceedings. As regards the latter, we will consult on the most appropriate approach.

The Government are committed to improving the visibility of justice in this country—to lifting the veil that sometimes keeps justice from view. The measures that I have outlined today will help to build a transparent, accountable family justice system that inspires the confidence of the people whom it serves, while continuing to protect the privacy of the parties and children involved. I commend the statement to the House.

Nick Herbert (Arundel and South Downs) (Con): I thank the Justice Secretary for early sight of his statement. The UN convention on the rights of the child states that

"In all actions concerning children...the best interests of the child shall be a primary consideration."

Some argue that privacy in family courts is essential to that end, but does the Justice Secretary agree with me that the privacy of the child and the interests of the child are not necessarily always the same thing? Secrecy can also mean a lack of accountability, which in turn leads to poor decision making. Does not the terrible case of baby P remind us that where the welfare of children is concerned, poor decisions can have catastrophic effects?

The Constitutional Affairs Committee concluded in 2005:

"A greater degree of transparency is required in the family courts."

Speaking for the Conservatives in 2006, my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) said that

"we need to open up the closed doors a bit more."—[*Official Report, Westminster Hall*, 12 January 2006; Vol. 441, c. 164WH.]

Would the Justice Secretary concede, in the spirit of transparency, that the Government have been rather less sure about whether to open the door? In 2006, the previous Lord Chancellor, Lord Falconer, made firm proposals to allow the press in. By 2007 he had changed his mind, arguing that "the welfare of children" was "at stake." Now the Government have changed their mind again. Within three years, the Department has changed its identity once, and its proposals twice. The Justice Secretary says that he has now reached a conclusion, but he also says that he is presenting proposals. Are they final?

We all recognise that this is a difficult issue, but is not the problem with secrecy that it ignores the issue of public confidence in the court process? The president of the family division, Sir Mark Potter, has spoken of

"an age of transparency...amidst largely misplaced criticisms of 'secret justice'".

Does not the experience of countries such as New Zealand and, closer to home, Scotland, demonstrate that properly regulated transparency is perfectly workable?

May I press the Justice Secretary on adoption proceedings, about which he is consulting further? Does he agree that, while there should be a presumption against openness in the final hearings, in which delicate and sensitive decisions are made, it is important to have scrutiny in the opening stages, in which the work of social workers, the Children and Family Court Advisory and Support Service and the National Youth Advocacy Service needs to be monitored?

Does the Justice Secretary recognise the increased stress on children that may result from the presence of the media in court, and the fact that many professionals such as the National Society for the Prevention of Cruelty to Children have serious concerns about that? Is he confident that the press will be as compliant with reporting restrictions as they are, for example, in New

Zealand? Will all journalists be allowed into court, or only those who are accredited? Crucially, what sanctions for breaching reporting restrictions does he envisage? The Government previously proposed new legislation to ensure strong sanctions to protect anonymity. Does that proposal stand, and will third parties with a legitimate interest be permitted to attend, as they are in other countries?

A key concern for families is that they are unable to raise their cases with the media, but it appears that the Government's proposed rules for disclosure will still prevent them from doing so. Will the Justice Secretary confirm that, and explain why he believes it is right to maintain that restriction? When the Government last proposed transparency in 2006, they recognised, in the regulatory impact assessment, that both they and the courts would face increased costs, including for additional security. Have the Government estimated these costs? At a time when the courts' budget is being cut, how will those costs be absorbed? Is not the fact that the Government are piloting the provision of written judgments in only three courts evidence of concern that the resource implications could be considerable?

There are important questions about how transparency in family courts will operate, but does the Justice Secretary agree with me that child protection can no longer be a secret business? It is time to shine a bright light of public scrutiny to ensure that the most vulnerable in our society are protected. With proper safeguards, transparency is a force for good.

Mr. Straw: I thank the hon. Gentleman for his support for the proposals. He teased me about the fact that the Government had one view, then a slightly different view, and now they have a—

Nick Herbert: Third way!

Mr. Straw: No, the original view—this is a binary choice.

The reservations that the hon. Gentleman went on to express, including about the sensitivity of adoption proceedings, and the concerns raised by some children's representatives about having the media in court, show that this is a finely balanced judgment, but ultimately we have to say yes or no. He asked whether these were firm or final proposals, and answer is yes, they are. I hope to introduce measures that require rule changes, pressing on with this, in the spring, possibly in April. The changes in adoption require primary legislation—the Adoption and Children Act 2002 imposes a statutory bar on the attendance of the media or the public, and there is no current legislation available to make those changes—so we will have time to consult in more detail on that.

The hon. Gentleman asked me some specific questions about disclosure by families to the media. We have to put the detail of the changes to the rules committee, and I am actively considering that issue. The key issue, in my experience as a constituency Member of Parliament, is the assurance that if information is disclosed further, the identity and privacy of the child and, by extension, the family, is still protected. However, I thoroughly agree with his view, which is ours, too, that the quality of family justice is not served by proceedings that, to all intents and purposes, are secret and removed from the view of the media. I take his point that there is a clear distinction between a child's best interests and the privacy, not of the child—no one is arguing about that—but of proceedings.

We have not estimated the cost of implementing the changes because we believe the costs will be marginal. For example, in respect of youth courts, which have to operate exactly the same restrictions but with the courts in many cases allowing individual members of the public and others in, I have never had any representations that that is a costly process.

Once there is a legislative opportunity, we will seek to rationalise the penalties and the regime. Meanwhile, a breach will be contempt of court, for which, in principle, imprisonment is the penalty. In respect of other proceedings in the youth courts and in Crown courts where juveniles and young people are being tried, and in respect of other reporting restrictions, the experience is that overwhelmingly the press respect restrictions.

David Howarth (Cambridge) (LD): I, too, broadly welcome the Secretary of State's statement as a move in the right direction. There is a basic principle, as I hope he will agree, that justice should be seen to be done. Secret justice is often injustice. Privately heard witnesses who think they are less likely to be found out are more likely to be self-serving than witnesses in public, judges are more likely to go along with the cosy consensus that often develops between experts when there is no prospect of public comment on their judgments, and public authorities are more likely to act on insufficient evidence when their decisions are not subject to public scrutiny.

It is right that that principle should apply even in difficult cases, such as those in family proceedings. It is understandable that there will be some resistance from some professional groups, and clearly there is a balance to be struck between the public interest and the interests of individuals, especially of children, but as the hon. Member for Arundel and South Downs (Nick Herbert) said, I hope the Secretary of State agrees with Sir Mark Potter when he said in October that more openness would help to dispel myths about bias and inaccuracy in the family court, especially if there are enforceable rules about anonymity.

The Secretary of State spoke only about the media. He did not speak about access to the courts for the public. Obviously, different considerations apply, but what conclusions have the Government reached on admitting the public to some family proceedings?

On the publication of judgments, I am a little disappointed that the right hon. Gentleman has not gone further than a pilot. Publication of judgments, suitably anonymised, obviously, is vital to the scrutiny of what judges do. Their judgments must be open to comment and criticism; otherwise the law itself cannot develop. There have been cases where even professional law reporters were excluded from the courts. Surely the Secretary of State agrees that that should not happen.

I welcome what the right hon. Gentleman said about the disclosure of information by parents, but may we be clear about what that means? Will parents be able to discuss their case with their MP, which was one of the examples that he gave? What will be the position on the important issue of expert witnesses and second opinions? Will parents be able freely to approach experts who might help to challenge the views of the local authority expert in their case?

[David Howarth]

Will the Secretary of State be specific about what part of Clayton v. Clayton he proposes to overrule? There are two parts to that judgment. Is he saying that Parliament should overrule the part about the film that the father was going to make when the child had been abducted? Overruling that would make the situation worse for the child's privacy, not better.

Finally, it is disappointing that the right hon. Gentleman has not taken the opportunity to make a wider announcement about family courts, especially about the increase in family court fees in public law cases from £150 to £5,000. Will he tell the House what effect on the volume of cases that change has had? What are his criteria for the success or failure of that policy? Is it just raising more money, or does he want there to be fewer cases?

Mr. Straw: I am grateful to the hon. Gentleman for his support for the proposals. He asked me a number of specific questions. Are we proposing that members of the general public be allowed into the courts? No—and to that extent, this regime is more restrictive than the one that applies in the youth courts. However, I think that that is appropriate, although we are open to representations, if necessary, on the issue. Will parents be able to discuss their cases with MPs? Yes, and in my experience they do already, although often in breach of some extraordinarily complicated and convoluted rules, which I discovered only very recently.

One of the issues is about the identity of expert witnesses being able to be made public. My default setting is that they should; I believe that in cases of this kind, the expertise of such witnesses should no more be allowed to go without scrutiny than the expertise of those in other cases, in which equally life-threatening or life-changing decisions are made and expert witnesses have to justify publicly their expertise and judgments.

We are seeking to overturn the part of Clayton v. Clayton that says that in principle the protection of the privacy of the child should fall away once the proceedings have finally been completed. We intend to reverse that, so that the presumption is the other way.

There was a huge consultation on the increase in family court fees. Local authorities had a transfer of £40 million from the Ministry of Justice budget—and a little more, I may say—to meet the full costs of that transfer of fees. I would have preferred the transfer to have been ring-fenced to the local authorities so that they could use it only for these purposes. The local authorities are themselves root and branch opposed to ring-fencing—but they have had the money. It therefore does not lie in their mouth to complain that they cannot afford the fees: they can.

Moreover, the fee is £4,000 on average; it ranges from £1,750 to £4,825, and the full fee applies only at the upper end. Local authorities have to base their decisions on the interests of the child. The fee, even at £4,000, is a very small proportion of the total costs of taking a case, which average £25,000. It is a still smaller proportion of the costs of taking a child into care, which are £40,000 on average and rise to £101,000 and more if the child is taken into secure accommodation for a year.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I would appreciate some help. I realise that this subject does not necessarily lend itself to brevity, but I hope that hon. Members will try.

John Battle (Leeds, West) (Lab): I welcome the statement, particularly the reference to the family courts in Leeds. A recent survey of children under 14 revealed, perhaps surprisingly, that their highest wish was an absolute ban on divorce. In view of that, may I ask my right hon. Friend to underline the fact that the purpose of family courts is to disentangle broken relationships, enable people to rebuild their lives positively and ensure the future flourishing of the children—not to expose individuals to damaging media destruction in the future?

Mr. Straw: Of course, I entirely support my right hon. Friend. Any of us here—and I include myself—who as a child saw the break-up of their parents' relationship knows that what my right hon. Friend says is absolutely true.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Obviously, the devil lies in the detail and I very much hope that we will be allowed to debate the draft rules. Subject to that, I approve of what the right hon. Gentleman has said to the House. Transparency is good news as far as the quality of justice is concerned: it puts judges on their toes, which is jolly good news, and it puts expert witnesses on their toes, which is also good news. Furthermore, it enables us to know rather more about the welfare reports—and that, too, is good news. I hope that the right hon. Gentleman will be as ambitious as possible about transparency and let as many people as possible into the courts, subject to the protection of proper confidentiality.

Mr. Straw: I thank the right hon. and learned Gentleman; it is unusually good news that he is giving support to something that I have done. I welcome that in the spirit of Christmas and will consult the Whips about debating the rules.

David Taylor (North-West Leicestershire) (Lab/Co-op): I declare an interest as a member of the Magistrates Association. The statement referred to all those with responsibility for these proceedings being well trained and working to extremely high standards. That is especially true and important in relation to the staff. Will the Secretary of State say a word or two about the need for staff security and the confidentiality of staff names? We saw a recent example where Fathers 4 Justice attacked staff at NAPO offices last week. They deserve better than that. The later part of the statement referred to courts having the ability to relax or increase reporting restrictions in appropriate cases. Will guidelines for those appropriate cases emerge from the pilot, and how will they be disseminated nationally?

Mr. Straw: The pilots will produce guidelines on the publication of anonymised judgments. Those guidelines will not relate to the use of discretion to exclude the media—that will emerge principally through the practice of the family division. We are all concerned about the security of staff, but many people who make important decisions have no option but to have their identity made public. We cannot allow a situation to obtain whereby

public officials who are paid by the taxpayer are able to make their decisions anonymously because of fears for their security. In practice, the number of cases where the security of staff is threatened is tiny.

Mr. Roger Gale (North Thanet) (Con): The Justice Secretary has to understand that the increase in charges from hundreds to thousands of pounds has had the real effect of reducing the number of cases referred by social services to the family courts. The policy that he has announced this afternoon will simply not work if the cases are not taken to court in the first place. He must address the funding issue, which has led to a situation in which about a third of the casework is being funded that needs to be funded.

Mr. Straw: I do not accept what the hon. Gentleman says. The money—£40 million and more—is there and is being paid to the local authorities. Let me make it clear that it was local authorities who did not wish it to be ring-fenced. The number of cases started to fall before these changes were introduced, and because of major procedural changes—the introduction of the public law outline—they are now rising.

Mr. David Kidney (Stafford) (Lab): I welcome openness, but will my right hon. Friend confirm whether I am right in remembering that during the second consultation, what most caused Ministers to hesitate in making the decision announced today was that the great majority of children who responded to the consultation were opposed to letting the media into family courts? Is he saying that he must regretfully disregard their representations, or that the design of the scheme takes into account those representations?

Mr. Straw: Of course, I do not dismiss children's concerns, but ultimately we have to make a choice. I believe—and experience has shown this—that the media will act responsibility. As the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) said from a sedentary position, in practice, there has not been a problem with the observance of reporting restrictions in the youth courts or elsewhere. Whatever else people may say about the British media, they are respectful of these restrictions, and the penalties on editors and journalists if they break the restrictions are very severe.

Richard Ottaway (Croydon, South) (Con): I go slightly against the flow in saying that I am yet to be convinced by these proposals, and I will watch the pilot schemes with interest. The Secretary of State drew on the experience of the youth court when he stated that these rules have worked effectively and their spirit has been well respected by the media. I must confess—I have written to him about this—that that has not necessarily been my experience, particularly as far as witnesses are concerned. Will he say what the situation will be with witnesses in the county court and the family court? Will the press be allowed to report their names?

Mr. Straw: No, the press would not be allowed to report witnesses' names, because they are parties to the proceedings. The situation is different for expert witnesses, but with that exception, the identity of witnesses will be protected. I have yet to see the letter from the hon. Gentleman, but although there may be rare cases where there is concern about the operation of the family courts, such occasions are few and far between.

Jim Dobbin (Heywood and Middleton) (Lab/Co-op): I welcome the Secretary of State's statement. I have experience; a family came to see me who were concerned about the local authority's involvement in their ongoing case. The case ended up in the family courts and the judge made a ruling that the family should not approach me again while it was in court. In my view, that was not really about protecting the child, which must be of the utmost importance, but about protecting the professionals involved in the case, because I was dubious about their judgment.

Mr. Straw: I accept what my hon. Friend says. We are changing the position so that in future a judge cannot make such a ruling in any case in which a party wishes to approach their Member of Parliament.

Tim Loughton (East Worthing and Shoreham) (Con): I welcome the proposals that the Justice Secretary has announced, although a lot of the details are still to be worked out and I could not quite understand why the previous good work had come to a grinding halt.

One of the biggest criticisms of the workings of the family courts has been the lack of accountability of social workers, Children and Family Court Advisory and Support Service workers and expert witnesses, particularly when errors are made that become part of the court record—a problem that is often compounded by the high turnover in those staff. As part of the review, will the Justice Secretary ensure that such errors are not given protection and that reporting will be possible in order to highlight those errors, to ensure that they are not made and to increase the accountability of those with key roles to play in the judgments that can be made?

Mr. Straw: The judgments in such cases are very difficult. Errors may sometimes be made, but I share the view, expressed not least by the hon. Member for Arundel and South Downs (Nick Herbert), that the greater the system's openness, including through the scrutiny of public officials, the smaller the likelihood not only that egregious errors will be made, but that they will go unnoticed.

Rob Marris (Wolverhampton, South-West) (Lab): I welcome greater transparency. Wolverhampton, which I represent, will be a pilot area, in which full written judgments will routinely be made. It seems to me that that will have resource implications, because it will take up judicial time, as well as a certain amount of staff time. Will my right hon. Friend assure me that there will be extra resources for pilot areas, to ensure a full validation and to ensure that other cases are not adversely affected by resources being sucked into the pilot cases?

Mr. Straw: We are making appropriate arrangements in the pilot areas.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): The notion of written judgments is an excellent idea, given adequate resources, of course. As a practitioner—I declare an interest as a member of the family Bar and I still occasionally practise—I am fearful that bringing in the media when parties to the action are giving evidence will undermine the quality of that evidence, given that it is often highly sensitive and intimate evidence. I am concerned that the proposal will suppress the truth, which is the last thing that anybody wants.

Mr. Straw: I understand the hon. Gentleman's concern. There is a balance to be struck. My view, based not least on the experience of the youth courts, is that having the media there will produce a better overall quality of justice and, above all, a better perception of the justice that such courts provide.

Mrs. Madeleine Moon (Bridgend) (Lab): Protecting the identity of the child and giving them the privacy that they rightly deserve in cases where it is often the failure of adults that has brought them before the courts is paramount. Will my right hon. Friend be holding meetings with the Press Complaints Commission and the Society of Editors to ensure that there are clear guidelines, particularly for local newspapers, whose reporting is more vulnerable to identifying who the child is and what the family circumstances are?

Mr. Straw: Yes.

Angela Watkinson (Upminster) (Con): The statement has rightly focused on the protection and welfare of children, but the family courts also deal with divorce cases, not all of which involve children. Will cases that do not involve children be subject to the same media scrutiny when they concern what are in effect private matters between the parties?

Mr. Straw: Yes, they will.

John Hemming (Birmingham, Yardley) (LD): I must declare an interest as co-ordinator of the Justice for Families campaign.

One of the critical things that we need to do in this country is improve decision making in respect of children in public law proceedings, especially in view of the number of serious case reviews. Scrutiny in the family courts is key to that, so I welcome much of the statement. I do not think that, in reversing the judgment in Clayton *v.* Clayton, the Government intend to cause a 17-year-old child to be unable to complain about his or her treatment, but I ask the Secretary of State to answer the question from my hon. Friend the Member for Cambridge (David Howarth) about second opinions. Will it now be possible for a party to obtain a second opinion without the permission of the judge?

Mr. Straw: I shall have to return to the hon. Gentleman, and to the hon. Member for Cambridge (David Howarth), on that discrete issue.

Mark Pritchard (The Wrekin) (Con): I welcome some of what the Secretary of State has laid before the House, particularly his comment about lifting the veil. Given that the Government are conceding more divorce and matrimonial matters to sharia councils, may I ask what provisions have been made and what consultations have taken place with the Islamic community, and whether there is any overlap between what he has said today and statements from that community?

Mr. Straw: I have had absolutely no discussions with representatives of Muslim communities about the proposals. Members of the Muslim faith are subject to the law of the land like any other groups, and they are the first to accept that. In so far as the decisions of so-called sharia councils are accepted and enforced in the English courts, that is done according to provisions of the Arbitration Act 1996, which was passed by the previous Administration.

Mr. John Baron (Billericay) (Con): I welcome the statement, but may I suggest to the Secretary of State that owing to the current level of secrecy, over-zealous social services departments are often not held to account and children are often taken away from their parents for spurious reasons? I have a constituent whose two boys, aged 14 and 16, were taken into care simply because they would not speak to their mother after an acrimonious break-up and wished to be with their father. Will the Secretary of State meet me to discuss the case, if only so that he can see for himself how bad the system can be when cases such as this operate under a veil of secrecy?

Mr. Straw: Of course I should be happy to see the hon. Gentleman, but he should bear in mind that social workers and the courts as a whole are between a rock and a hard place. The burden of the criticism in the baby P case is not that the child was taken into care too soon, but that the child was not taken into care at all. There is a really difficult set of judgments that everyone has to make.

Mr. Edward Timpson (Crewe and Nantwich) (Con): I, too, declare an interest as a member of the family Bar, although I do not currently practise.

May I press the Secretary of State on the issue of judgment pilots, and on two issues in particular? According to his statement, certain family cases will be piloted as part of the scheme. Has he narrowed that down, and does he know what cases those will be? It also appears from the statement that the written judgment will be a necessary element of all the pilot cases. If that proves successful in the pilots, will it be introduced on a wider basis, or will it be at the judge's discretion to decide whether a judgment should be made public?

Mr. Straw: Let me make it clear that the pilots relate to the publication of anonymised judgments. The major changes relating to the admission of the media will not be piloted; they will be introduced on a universal basis in the England and Wales jurisdiction once the rules have been agreed. We fully intend the scheme to be rolled out across the country if the pilots are successful.

Sutherland Inquiry

5.14 pm

The Secretary of State for Children, Schools and Families (Ed Balls): The delivery of this summer's national curriculum tests for 11 and 14-year-olds was a shambles. I want to say to all the teachers, pupils, parents and markers who have been affected how sorry I am for all their inconvenience, stress and frustration. What happened this year was completely unacceptable. It was because I was determined to get to the bottom of exactly what went wrong and to ensure that it does not happen again that, in July, I asked Lord Sutherland to conduct an independent inquiry. I laid a copy of Lord Sutherland's final report before the House at 2.30 this afternoon, and I have already acted to ensure that all his recommendations will be implemented in full.

In this statement, I will set out the Government's initial response, and the steps that we are taking to ensure that the 2009 test results will be successfully delivered on time. I am grateful to Lord Sutherland for his very thorough report, and in January I will publish a detailed response setting out how we are implementing all his recommendations in full.

Lord Sutherland begins his report with these words:

"At its heart, this summer's test delivery failure represented a failure in customer service—to...pupils, to their schools, and to the markers upon whom the National Curriculum testing regime relies."

He finds that

"failures occurred at almost every stage of the test delivery process".

He also says:

"The primary responsibility must therefore rest with the American"

not-for-profit

"organisation, ETS Global BV...which won the public contract to deliver the tests and failed its customers."

In particular, Lord Sutherland finds that

"ETS's project management was not fit-for-purpose...ETS failed to identify and assess risks accurately and failed to report risks to NAA transparently...There were cumulative failures in different components and interfaces of the ETS delivery system...ETS did not invest in its relationship with schools and markers, and its level of customer service was wholly unacceptable and lacked professionalism".

That is why, on 15 August, the Qualifications and Curriculum Authority dissolved ETS's contract. ETS forfeited a significant amount of future earnings and repaid £24.1 million to the taxpayer, which is two thirds of the money due to ETS for the first year of its then five-year contract.

Lord Sutherland then says:

"The events of this summer also represent a failure on the part of one of the Government's Non-Departmental Public Bodies, the QCA...to deliver its remit."

His report

"describes the procurement process that QCA used to select its delivery supplier, ETS, how it managed the contract, and why it should have realised sooner that the test results could well be seriously delayed."

In particular, he finds:

"QCA had project and risk management systems in place, but did not use these effectively to support and challenge ETS and inform decision-making".

He finds that

"The QCA Board had insufficient oversight of the management and risks associated with the delivery of its biggest contract".

He finds that

"neither NAA senior personnel, the QCA Executive, or QCA Board appear to have assessed the mounting risks appropriately",

and that

"the issues that arose during the test process should have alerted ETS, and in turn QCA, to the severity of the situation and the inevitability that test results would not be delivered on time."

I have today written to the new chair of the QCA board, Mr. Christopher Trinick, asking him to implement in full all Lord Sutherland's recommendations relating to the QCA, and to provide me with a full report on progress by 16 January. In a statement this afternoon, the QCA board has announced that its chief executive, Dr. Ken Boston, and Mr. David Gee, the managing director of the National Assessment Agency, have been suspended pending a full board inquiry into Lord Sutherland's findings. The QCA board has, with our agreement, appointed Mr. Andrew Hall, currently its director of strategic resource management, as interim chief executive while that inquiry takes place.

Lord Sutherland's report also makes recommendations covering the procurement process; the role of Department for Children, Schools and Families officials and Ministers; the role of Ofqual; and the procurement and delivery of future tests. On the procurement of the contract with ETS by the QCA, Lord Sutherland concludes:

"The procurement procedure was sound",

but he highlights the fact that, despite

"sound checks on the financial strength and liquidity"

of the supplier and two Office of Government Commerce gateway reviews, the procurement

"failed to identify relevant information"

regarding the supplier's

"reputation and track record."

Lord Sutherland finds that

"In future, QCA should seek better information on the knowledge, capacity, experience, and track record of its preferred test operations supplier".

Although this is not an explicit recommendation of Lord Sutherland's report, my permanent secretary David Bell has today written to Nigel Smith, chief executive of the Office of Government Commerce, asking him to consider whether there are wider lessons from Lord Sutherland's report for OGC gateway reviews. We will report on that in January as well.

On my Department, Lord Sutherland finds that

"DCSF had comprehensive mechanisms in place to monitor QCA's overall corporate performance and delivery against specific success measures".

He also says:

"In practice in 2008 what happened was that DCSF observers escalated their own assessment of risks to the DCSF ministers on a number of occasions. On this basis, ministers usually pressed the QCA Chief Executive for answers. At this point, because information was not being escalated within QCA effectively",

the consequence was that

"ministers were given strong reassurances, by QCA that all was on track. As late as 17 June when the Schools Minister met QCA's Chief Executive and NAA's Managing Director, they provided reassurances."

[Ed Balls]

Lord Sutherland also confirms in his report:

"In practice, the first time QCA notified Ministers that ETS would not deliver test results on time was 30 June 2008"—

four days before I announced that the tests would be delayed and Ofqual and I launched Lord Sutherland's independent inquiry. While Lord Sutherland concludes that

"DCSF had good project and risk management processes and a pragmatic approach",

he does say that

"officials may not have challenged QCA sufficiently on its project and risk management of the tests".

He also recommends:

"The role of DCSF observers to meetings such as the operational, programme and corporate boards should be clarified on a case-by-case basis and those expectations articulated clearly".

That is an important recommendation, and I will report in January on how we can further strengthen and clarify those governance arrangements.

On regulation, Lord Sutherland

"welcomes the creation of Ofqual as an independent regulator of National Curriculum tests as a positive development, and believes it represents a significant improvement on the previous arrangements".

However, he identifies some weaknesses to be addressed and makes recommendations to strengthen and clarify the role of Ofqual. In her letter to me today, the chair of Ofqual, Kathleen Tattersall, confirms that she has also accepted those recommendations in full. We intend to legislate accordingly in the children, skills and learning Bill.

On test delivery, Lord Sutherland makes recommendations on how procedures can be modernised and improved in future years. As I told the House in a statement on 16 October, with Lord Sutherland's advice, the QCA tendered for a single year contract for the delivery of the 2009 national tests. Last week, following the receipt of his report, I wrote to Lord Sutherland asking him to advise me on the QCA's handling of the procurement process, and I have published his reply to me this afternoon.

In my statement to the House in October, I said that I agreed with the Select Committee that the principle of national testing is sound. I announced that we will not require pupils to take key stage 3 tests from 2009 onwards, but that externally marked key stage 2 national curriculum tests are essential to give parents, teachers and the public the information they need about the progress of each primary age child and of every primary school. I also said, however, that the current testing and assessment regime is not set in stone; that we will continue to look at the emerging evidence from our single level test pilots; and that I had asked our expert group to report in the spring.

I know that there are some who do not agree with me about the importance of externally marked national tests, but even they will agree that where we have national tests, they should be delivered successfully and on time, as they have been in the past. That did not happen this year. As Lord Sutherland concludes:

"It is undoubtedly the case that pupils were let down."

I am determined to ensure that this does not happen again, which is why we will now implement all of Lord Sutherland's recommendations in full. I commend this statement to the House.

Michael Gove (Surrey Heath) (Con): I thank the Secretary of State for his kindness in sending me prior notice of his statement and also in allowing me to read Lord Sutherland's report in his Department earlier this afternoon.

The Sutherland report is an epic catalogue of incompetence, inefficiency and blinkered inactivity in the delivery of a vital public service. It paints an unremittingly depressing picture of the fiasco that was this year's national curriculum test process. It points the finger at a series of figures, some of them still in office, who did not act as they should have done to safeguard the interests of our children.

May I express agreement with the Secretary of State that Lord Sutherland does us all a service in revealing that the company responsible for running those tests, ETS, was guilty of a series of fundamental mistakes? May I also ask the Secretary of State how ETS was allowed to get a multi-million pound contract in the first place? The procurement process that led to ETS getting its contract took 10 months. As well as a huge team of bureaucrats, the accountants PricewaterhouseCoopers were asked to scrutinise the company's credentials, but in all that time not a single person uncovered the fact that ETS had a record of failure and poor performance in America.

Conservative Members supplied Lord Sutherland's inquiry with a dossier of ETS's past failures, and he records that the stories we uncovered

"were not identified and considered as part of the due diligence"—

[Hon. Members: "Shameful!"] It is entirely shameful.

Lord Sutherland further recommends that the QCA should have carried out the due diligence that we carried out to assess potential suppliers' track records. It took us 10 minutes on the internet to find out what the whole of Government could not establish in 10 months. How can Ministers ever have been satisfied with a procurement process that did not identify the most basic problem with a bidder—serial incompetence in the past?

I am grateful to the Secretary of State for the fact that the Government will now change the way in which they award contracts, but given the horrendous failure of the procurement process, will he explain why we still cannot see the original contract with ETS? We have still ended up paying money to ETS for its failure. Why did the contract not specify that ETS would pay fines rather than just have payments docked when it failed? In a case such as this, as the hon. Member for Wolverhampton, South-West (Rob Marris) indicated earlier, the taxpayer should be compensated. We can judge whether our interests were properly safeguarded only if the contract is made public. So why can we not see it?

Blame for what went wrong properly rests on many shoulders. ETS has paid the price, although not as heavily as it should, and the QCA's chief executive, Ken Boston, has rightly resigned, but Ministers have argued that their responsibility is limited because the process of managing those tests was at arm's length—the Pontius Pilate defence.

In the House on 22 July, the Secretary of State said that Ministers did not even see the contracts drawn up with ETS, yet in evidence to Lord Sutherland, Ken Boston pointed out:

"Government is at arm's length only from the detail of the test questions and from the marking and level-setting... throughout the process of procuring the contract and delivering the tests...

Ministers and officials had access to exactly the same data and information as the QCA—they were active participants in the process".

Does the Secretary of State accept his Department's share of responsibility? Does he accept that Ministers were active participants in this fiasco? Or does he think Ken Boston was lying?

The Sutherland report also reveals that Department for Children, Schools and Families officials sat in on the crucial meetings throughout 2007 when flaws were revealed with the handling of those tests. Lord Sutherland points out that problems were raised at the Department's own senior management review group in February 2008. He reports that DCSF observers escalated their own assessment of risks to Ministers on a number of occasions in 2008. Will the Secretary of State tell us when those occasions were? Will he tell us why, when his officials were escalating their assessment of risk, he did nothing?

The Secretary of State said that it was not appropriate for him to challenge the complacent judgment of those delivering the tests, but the facts about failure were in the public domain long before he took any action. When we raised problems concerning ETS and its track record in May, the Secretary of State told us that matters were on track, and he did nothing.

On 11 June, the Minister for Schools and Learners told us that he had been in regular contact with the test delivery body, the National Assessment Agency, but the Sutherland report reveals that the first time the Minister had a substantial discussion with the man in charge of the NAA was only on 17 June, one week later. How does the Secretary of State explain such culpable inactivity? Does he not regret the fact that Ministers did not act earlier? Why, when his officials knew what was going wrong, his Department's review group knew that things were going wrong and we told him that they were going wrong, did he ignore all these warnings? Why were so many signals flashing danger so studiously ignored?

It is crucial that we have confidence in national curriculum tests. They are vital measures by which we hold schools and heads accountable. It is only fair that those in charge of this process are also held accountable. This Government have failed, and no Minister has acknowledged their role in this failure. Until they do, parents and teachers will conclude that this Government believe that everyone should be accountable for failure apart from them.

Ed Balls: I completely agree with the hon. Gentleman that there was a clear failure, and that is why we commissioned an independent report. The report makes it clear that the primary failure was a failure by ETS, the supplier, but there was also a failure of the QCA to deliver on its remit. That is where the failure lies, and it is where the recommendations for action are. It is clear from the comments that I made in my opening statement that Lord Sutherland himself said that

"the first time QCA notified Ministers that ETS would not deliver test results…was 30 June".

He makes it clear in a litany of comments throughout the report that there was a systemic failure by NAA and QCA executives to assess risks properly, and then to pass those risks to the board and to Ministers. That is where the failure lies, and it is a failure that we will address.

The hon. Gentleman asked about procurement, and I repeat what I said in my statement. Lord Sutherland says that

"The procurement procedure was sound",

and he notes that there were two Office of Government Commerce reviews into that procurement procedure, the first of which gave a green light to the procurement, and the second of which gave an amber light because of a payment issue, which was subsequently resolved. As the Minister for Schools and Learners said in his evidence to Lord Sutherland,

"in this case, two OGC reviews satisfied me that there had been proper oversight of the process and that the QCA Board in turn, that we appoint, had approved it and had in fact endorsed it very strongly as an example of best practice."

We know, and Lord Sutherland says, that while there was proper due diligence on financial strength and liquidity, the reviews did not look at the 180 countries in which ETS operates, or the 2,600 staff that it employs all around the world, to find some of the examples that subsequently came to light. I say, quite rightly, that that was a failure. It was a failure in the procurement process, and a failure that should have been spotted, as Lord Sutherland says—*[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Questions have been put to the Secretary of State and he should be given a chance to answer without a chorus of protest at the same time.

Ed Balls: If hon. Members had taken time to read the report, they would have found that the answers are right here on the page. I am afraid that their questions betray the fact that they have not yet had time to study the report.

We have asked the OGC to implement Lord Sutherland's recommendation that in future we should ensure that such information comes to light. When the information came to light in May, as the hon. Gentleman knows, I had a phone call and a meeting with Mr. Ken Boston, who assured me in a meeting on 2 June that things were on track with the delivery of the tests in 2008. The hon. Gentleman asked what Ministers did, and I just say again that in February, March, April, June and July, Ministers were informed by DCSF officials that there were concerns. *[Interruption.]* I will state what Lord Sutherland says, because he conducted the independent review:

"On this basis, ministers usually pressed QCA's Chief Executive for answers."—*[Interruption.]*

Well, the word "usually" means that that is what they did, and that is what we did on 2 June and 17 June. Lord Sutherland continues:

"At this point, because information was not being escalated within QCA effectively, ministers were given strong reassurances by QCA that all was on track."

The assurance I gave the hon. Gentleman was the assurance we were receiving from the QCA. It was the responsible body and it had the remit to deliver those tests. It failed to deliver that remit, as Lord Sutherland's report—*[Interruption.]* Well, I advise the hon. Member for Beverley and Holderness (Mr. Stuart) to read the report; as a Select Committee member, I am sure he will.

We did not take the advice of Conservative Members, however. We did not take the advice of the Leader of the Opposition, who throughout July repeatedly called

[Ed Balls]

on us to sack summarily the contractor, ETS. As the legal advice made clear to me, if we had done so we would have been in a legal dispute with ETS, and we would not have got the £24 million back to the taxpayer, which we secured in August. Throughout July, Opposition Members, having made no comment on this matter at all until May, grandstanded time and again, calling for steps that would have cost the taxpayer millions of pounds. We did the proper thing, which was to ignore their calls, their grandstanding and their irresponsibility; instead, we did the right thing by the taxpayer, and that is what I am determined to do.

The fact is that, as Lord Sutherland's report makes clear, there was a delivery failure by the QCA. The leaders of the QCA and of the part of it that delivered the test, the NAA, have both now been suspended. There are a number of recommendations, all of which will be implemented in full. That will not repair the damage of the tests this year, and I cannot take away the inconvenience suffered by pupils and teachers. What I can do, however, is take seriously the conclusions of an independent inquiry that clearly says where the blame lies, and act upon that to ensure that in future we return to the way things were before ETS Europe, with a proper delivery of tests in our country.

Mr. David Laws (Yeovil) (LD): I, too, thank the Secretary of State for giving me early sight of both his statement and Lord Sutherland's report.

On page 30 of the report, which was issued today, Lord Sutherland quotes the chairman of the QCA back in December 2006 rather optimistically suggesting that this contract might eventually be seen as a case study in best practice. Sadly, what Lord Sutherland has reported seems to be a masterclass in incompetent project management, with ETS, the NAA, the QCA and perhaps Ministers to blame in varying degrees.

First, I want to make it clear that I support the action that the Government have taken so far in removing the contract from ETS and in changing the management of the QCA and the NAA. Those actions are justified by the information provided by Lord Sutherland. However, I am not quite so clear that the Secretary of State's statement is satisfactory in relation to the role of his Department and Ministers. Indeed, his statement could be summed up as follows: "Everybody is to blame other than Ministers." Even officials in his Department get the blame, along with ETS, the QCA and the NAA.

May I take the Secretary of State back to two points raised by the hon. Member for Surrey Heath (Michael Gove), which I fear he did not respond to? First, the Secretary of State quoted paragraph 4.137 on page 85 of the report. It suggests that what happened in 2008 was that his Department's observers escalated their own assessment of risks to Ministers on a number of occasions, and it goes on to say that

"ministers usually pressed QCA's Chief Executive for answers."

A moment ago, the Secretary of State seemed to indicate that "usually" means "always", but it does not. Therefore, after today's sitting, could he send the hon. Member for Surrey Heath and me a list of all the occasions when DCSF observers raised these issues with Ministers, and will he describe what the concerns were on each occasion and how Ministers decided to act, if at all?

Will the Secretary of State also return to another point raised by the hon. Member for Surrey Heath? On page 37 of the report, Lord Sutherland quotes Ken Boston of the QCA, who wrote the following in evidence as recently as three weeks ago, on 27 November:

"Throughout the process...ministers and officials had access to exactly the same data and information as the NAA and the QCA; they were active participants in the process; and...were...in no way at 'arm's length'."

Is that not the clearest possible signal, given just three weeks ago, that the head of the QCA was anticipating that he and the NAA would be expected by Ministers to shoulder the full responsibility? He clearly does not believe that that should fall only to the QCA and the NAA. Did the Secretary of State request Ken Boston's resignation or was that offered by the chief executive of the QCA on an entirely voluntary basis? Let me make it clear to the Secretary of State that I am not suggesting that ETS, the NAA and the QCA do not have the primary burden of blame, because they clearly do. I am suggesting that it is also the case that Ministers appear to be asleep at the wheel and that they should accept some responsibility.

May I raise three brief final points about the future of the key stage tests? First, we understand from one of the letters that the Secretary of State has issued today that he—or the QCA—will be releasing information today on the number of appeals against the 2008 test results and what proportion of them have been upheld. Why was that information not available to the House before this statement, and can he shed some light on that today? Secondly, does he accept that, given the short time scale before the key stage 2 tests in 2009, Ministers will need to accept direct oversight and responsibility for ensuring that those tests are delivered effectively? They will not be able to get away with distancing themselves in the way that they have done this year.

Thirdly, and finally, may I ask the Secretary of State about the future of key stage 2 national tests? May I suggest that those should be retained and that he should not proceed with the single level tests? However, in the review that is under way, will he ensure that the opportunity is taken for a fundamental reappraisal of what is being tested and of the scope for improving and streamlining the tests and for using more internal assessment, complemented by both external assessment and external checks? If he manages this review effectively, it is still possible that we will salvage something from the shambles that Lord Sutherland describes so effectively today.

Ed Balls: Let me answer the hon. Gentleman's questions first. I shall ensure that the expert group does a thorough job, and I will forward its conclusions on future testing to the House. We will need to make future decisions at that point, because as I have said, the regime is not set in stone. However, I disagree with his proposals for key stage 2 tests.

The review process is ongoing, but the evidence we have so far on the number of reviews is that it has increased. Out of a potential 3.9 million applications for review, the total number of review applications that have so far been received and processed is less than 200,000. That compares with 50,000 in the previous years. That may partly be to do with heightened concern because of this year's events, but the change to borderlining will also have led to a substantial increase in the number

of reviews. I cannot give the hon. Gentleman an answer as to which of those two things has been more important, but I shall keep him and the House updated on those figures.

I will also ensure that the procurement process is properly managed. Indeed, I hope that the letter from Lord Sutherland that I have released today, which says that he will continue to oversee how the procurement works, will give the hon. Gentleman some assurance.

The hon. Gentleman is right to say that this was a case study in poor risk management. That is made very clear in Sutherland's report, but it is also clear that the contract was delivered at arm's length from Ministers by trusted delivery partners in the QCA and NAA. On repeated occasions, the QCA and NAA at executive level failed to escalate risks upwards to the board and to Ministers, who were given repeated assurances that things were okay when they were not. Those executives then failed to follow up problems when they were identified. I read out the quote from Lord Sutherland because it is telling. It points out that time and again during 2008 my officials and Ministers raised questions with the QCA and were reassured that things were okay.

Usually, it was the chief executive of the QCA, Ken Boston, who responded, but sometimes it was the managing director of the NAA, David Gee. Whichever it was, they reassured us that things were on track. As Sutherland says, it was only on 30 June that it was brought to our attention that tests were being delayed—

Mr. Laws: No, it was not.

Ed Balls: Well, I advise the hon. Gentleman to read the Sutherland inquiry. It says, in terms and as I quoted in my statement, that in practice it was only on 30 June that Ministers were informed by the QCA that there would be delays in the tests. There was a meeting on 17 June, as my right hon. Friend the Minister for Schools and Learners asked for a meeting with David Gee and Ken Boston because he was concerned about the advice that he had had from DCFS officials—not from LEAs or the QCA. My right hon. Friend asked for that meeting, in which Ken Boston deferred to David Gee who assured my right hon. Friend that things were on track. In retrospect, David Gee got that badly wrong, but it was our job to ask our delivery agent to deliver. We regularly asked questions and we were told that they were delivering. It is all substantiated in the report.

The delivery failure was by the QCA and the NAA, and Lord Sutherland is very clear on that point. Ken Boston said in his evidence that the information that was being made available to him was also being made available to Ministers and our Department. The problem was—as the report makes clear—that he did not have a management system in place that meant that concerns in the NAA were escalated up to him. In fact, months earlier, the NAA had a red risk rating and put scores of its own staff in to run the ETS contract, while telling Ken Boston that things were okay. But when he knew about the red risk ratings he did not act, and he assured us that things were okay. We did not have all the same information, but in any case it was his responsibility to act and he did not do so. That was the problem, and that is why the suspensions have occurred. That is why the inquiry was carried out, and that is why Sutherland says that while the primary responsibility was with ETS Europe, there was a failure on the part of the QCA to deliver.

There was a fundamental failure of the QCA to deliver, but with a new chair, an interim chief executive, these recommendations from Lord Sutherland and this independent report, we can move forward. That is what we are determined to do.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): My right hon. Friend will know that the Children, Schools and Families Committee is undertaking an ongoing investigation into these matters, which also takes in the contract for education maintenance allowances. As part of that, we will take evidence from Ken Boston and Lord Sutherland in the new year.

May I ask my right hon. Friend just two questions today? First, we all understand the game of "Get the Secretary of State" that is being played between the parties, but does he regret—

Daniel Kawczynski (Shrewsbury and Atcham) (Con): What a ridiculous thing to say. It is not a game.

Mr. Sheerman: I just want to ask three questions—

Mr. Deputy Speaker: Order. There has just been 50 per cent. inflation in the hon. Gentleman's demands. I am anxious to have single questions as there is important business still to be transacted in the House.

Mr. Sheerman: I just want to ask the Secretary of State whether he now regrets the advice that he was given to publish 90 per cent. of the tests immediately. Does he think that that would have solved the problem? Does he think that too many cooks spoiled the broth, because of the shadow authority? Thirdly, will he say one word about Ken Boston, who I have found to be a fine public servant in my experience as Chairman of the Select Committee? Ken Boston might have made mistakes on this contract but somebody should say that he is a fine public servant. He might have made a mistake, but we should not forget his record over a number of years of change to qualifications and to the curriculum in this country.

Ed Balls: I am happy to put on the record my thanks to Ken Boston. I worked with him over the past year and a half and thought that he delivered the key stage 3 reforms, which have been widely welcomed in schools, extremely well. We never had a difficult word, but I regret, as does Ken Boston now, that when he gave me reassurances in face-to-face meetings that things were on track, that turned out not to be the case. I am very sorry about what has happened today, but we are where we are and we have to move forward.

I know that the Select Committee is doing its review and I will ensure that my more detailed response is provided to my hon. Friend so that we can give evidence to that Select Committee. I hope that by then the Opposition members of the Committee will have had a chance to study it, because that might mean that they will be rather more informed in their barracking in the Committee.

I do not accept the point about the shadow authority, but I accept the point about too many cooks spoiling the broth. The NAA was a division of QCA, with no separate independent function. The QCA chief executive was responsible to the board for the delivery of tests,

[Ed Balls]

not the NAA, although the NAA was a member of the executive board. The QCA has today taken the step of removing the NAA label, which, I believe, got in the way. Sutherland makes it very clear that that label confused accountabilities and allowed Ken Boston to manage things at arm's length, which was not the right thing to do. My hon. Friend is right on that point.

Sutherland makes it clear that it was a problem when the regulator was within the QCA and not a distinct organisation. The appointment of an independent regulator in the form of Ofqual represented a significant step forward, and Sutherland says that that has made things better. They will be better still when we finally have the necessary legislation on the statute book. We can do certain things now to implement Sutherland's recommendations, but there is no evidence in the report that the establishment of Ofqual in shadow form made things worse. In fact, the Sutherland report shows that it made things better over the past few months.

Mr. Tim Boswell (Daventry) (Con): The Secretary of State will be aware that I previously served as a Minister in his Department. We had our share, too, of administrative difficulties of the kind that he has described today, although not on the same scale. Will he reflect first on the fact that non-departmental public bodies should never be used as a smokescreen for any inefficiency on the part of Ministers? Secondly, will he at least search his conscience to satisfy himself, because if everybody else has failed, it is miraculous that Ministers have somehow absolved themselves from any share of the blame? Finally, and much more importantly as we look forward, will he explain to the House why, if he and his senior management were free from blame, the situation is likely to be different on any future occasion when it comes to reporting, asking the salient questions and getting the right result?

Ed Balls: I searched my conscience, and I also asked Lord Sutherland to carry out an independent review. Not only did I search my conscience, but I read that review, which clearly states that the way in which we set up the arm's length relationship with QCA was right and normal practice and that the blame lies in the failure of risk management and the escalation failure in QCA and ETS. If the hon. Gentleman can find in the copy of the report that he has in front of him a quote that shows that I failed in my duty as Secretary of State, he should read it out. His Front-Bench spokesman failed to make any such point—

Michael Gove: Answer the question.

Ed Balls: I have answered the question so many times—it is so trivial.

I have searched my conscience. I asked for an independent report and I have responded to it. The implementation of the report's recommendations will ensure that such things will not happen again. The right way to proceed was to commission an independent inquiry, to read the report and to act on it. That is what I am doing and that is why my conscience is clear.

Mr. David Chaytor (Bury, North) (Lab): Given the difficulties this year, particularly those about the number of opinions and the changes to the borderlining practice, is there any point in publishing the key stage 3 results on a school-by-school basis? Should we not now simply put key stage 3 to bed and forget about it? On key stage 2, does the Secretary of State accept that it is possible to support a policy of national testing without requiring every child in every school to sit a test every year in each of the key subjects at the same time? There are other forms of perfectly valid national testing that could be more effective and would certainly be cheaper. On the NAA, the Sutherland inquiry refers to the ambiguous relationship between the NAA and the QCA. Will the Secretary of State assure the House that there will be no ambiguity whatever in that relationship in the new legislation that will disaggregate the QCA?

Ed Balls: I shall definitely ensure that there is no ambiguity. We will use the processes that we are now going through with the expert group to ensure that what we do is not only cost-effective but effective in the way in which we test. That is our challenge. On my hon. Friend's particular point, we will publish the national figures for key stage 3 results. Given my announcement in October, I do not think that it makes sense to put schools through the process of checking the individual results school by school and so it is not my intention to do so.

Mr. Edward Timpson (Crewe and Nantwich) (Con): The Secretary of State is right to characterise this whole sorry episode as a complete failure that has let pupils down very badly. As the right hon. Gentleman is lending a great amount of weight to the recommendations in the report, will he look again at the EMA payments and the delays and consider whether a separate independent inquiry should be forthcoming in that regard? Recommendations might well flow from such an inquiry that he would want to take on board.

Ed Balls: That issue is currently being looked at by the Select Committee, which is the right forum for that purpose. What has happened with the EMAs has been unacceptable, but it is clear why it happened and the Select Committee will consider the subject. I do not think that an independent review is the right way to proceed, but I am happy to listen to and give evidence to the Select Committee to ensure that if there are any lessons to be learned in the case of EMAs, we will learn them.

Fiona Mactaggart (Slough) (Lab): The Secretary of State said in his statement that Lord Sutherland concluded that the procurement procedure was sound, yet it is clear from the report that although the procedure underwent two OGC gateway reviews as well as the expensive involvement of PricewaterhouseCoopers, the procedure did not produce good value for money for the taxpayer. Is there not an issue about the entire procurement? What steps will my right hon. Friend take to ensure that the Government learn the lesson from this procurement exercise and ensure that we put more emphasis on good value for the taxpayer in the future? What action will he take to ensure that pupils, schools and markers feel confident in next year's tests?

Ed Balls: My hon. Friend is right to stress "pupils, schools and markers", because markers had a raw deal in the summer. The customer service to markers from

ETS was frankly unacceptable and that must improve in the future. That is why we are returning to the tried and tested methods with the previous deliverer of the tests, Edexcel, as announced yesterday by the QCA. I will ensure through the work that we will now do with the OGC that if there are wider lessons to be learned on procurement, we will learn them.

It is the case that Lord Sutherland says that the procurement procedure was sound, and he explains why in detail, but we must do everything that we can to deliver value for money. One thing that would definitely not have delivered value for money would have been to forfeit the £24 million that the taxpayer got back. That would be to give in to the Opposition's irresponsible political posturing, which I was completely right to ignore.

Mr. Graham Stuart (Beverley and Holderness) (Con): May I begin by congratulating the Secretary of State on saying sorry today? He was unable to bring himself to do that in October, and I am sure that his apology will be appreciated.

The report comments on the responsibility of Ministers and, as both Opposition Front-Bench spokesmen have noted, on page 37 it quotes Ken Boston as saying that

"ministers and officials had access to exactly the same data and information as the NAA and the QCA; they were active participants in the process...and in no way at 'arm's length'."

That is what Ken Boston said: was he lying?

Ed Balls: It was said by Ken Boston, who was suspended this afternoon by the QCA board on the basis of a report that said that Ministers were not properly informed. It also said that information was not provided properly by the NAA to the QCA executive, by the QCA executive to the board, and by the QCA executive and the board to Ministers. We had reassurances that things were okay, even though the NAA had information that they were not. *[Interruption.]* If he wants to, the hon. Gentleman can quote again and again from the remarks that Ken Boston made to Lord Sutherland, but I think that those remarks reveal the nature of the problem and why we needed to act. That is what we have done.

Rob Marris (Wolverhampton, South-West) (Lab): The QCA appears to have failed, and it seems that it is going to be transformed into two quangos. The Learning and Skills Council seems—to me and many others, and I think to the Government—also to have failed, and it is to be transformed into three quangos. One of them will rejoice in the initials "SFA", and one wonders what it will do. I am confused about the approach adopted by the Department for Children, Schools and Families and the Department for Innovation, Universities and Skills as, when quangos fail, they seem to be replaced by new and more quangos. Can the Secretary of State explain that to me?

Ed Balls: I can explain that to my hon. Friend. There was a body called the QCA. That single body was responsible for the procurement, management, delivery and regulation of tests and, clearly, it did not succeed. We have decided to have one organisation to procure, manage and deliver the tests, and a separate organisation independent of Government called Ofqual to regulate them. *[Interruption.]* I thought that the Opposition supported the establishment of Ofqual, although the comments being made by Conservative Members suggest otherwise. However, it is right to split delivery and regulation, and that is what we are doing. Lord Sutherland makes it clear that, in his view, that approach will strengthen the regime and lead to more confidence for teachers, pupils and markers in the future.

In this case, I believe that we are doing the right thing, although I agree that the proliferation of quangos is not always ideal.

Angela Watkinson (Upminster) (Con): The number of papers with questionable results that have had to be returned this year has increased dramatically this year, and that has caused huge anxiety among pupils and imposed an administrative burden on schools. Will the Secretary of State ensure that his proposals will not also be a financial burden on school budgets?

Ed Balls: The position is clear: a school pays a financial penalty only if a review is unsuccessful. That is an important principle, as it means that it is not possible for there to be review after review. If there were no financial cost to a litigious review, everyone would appeal. We have had 200,000 reviews this year, compared with 50,000 in 2007, and it is estimated that a further, and final, 18,000 review outcomes will be issued to schools. The rise is partly due to concern about test marking, although in her letter to me today the head of Ofqual makes it clear that she retains the view that she expressed in July—that marking standards were maintained and that there was no decline in marking quality.

The review process will continue and, as I have said, we decided some years ago to remove borderlining. Its abolition means that cases that in the old days would have been allowed a bit of an upgrade do not receive one now. That will have led to an increase in the number of reviews, but it is really important that the review process is undertaken properly and with integrity. A school that succeeds does not pay the fee, whereas one that fails does.

David Taylor (North-West Leicestershire) (Lab/Co-op): It is certainly true that faith among teachers, parents and families in national curriculum testing has been badly hit by what has happened. Further to what my hon. Friend the Member for Slough (Fiona Mactaggart) said, it is hard to conclude that the procurement procedure was sound, when the reputation and track record of ETS and the capacity of its staff were not flagged up.

The dogs that did not bark seem to have been the OGC and its gateway reviews. That body had similarly lamentable failures with the Rural Payments Agency saga some time ago, but another problem has to do with PricewaterhouseCoopers. Will the Secretary of State say whether there exists in the public domain copies of the brief given to PricewaterhouseCoopers and of the report that was received from the company—no doubt at some great cost that we shall never know?

Ed Balls: At paragraph 2.59 of his report, Lord Sutherland says that

"the procurement procedure followed by PricewaterhouseCoopers and NAA on behalf of QCA was sound. It used the most up-to-date technique, Competitive Dialogue, which enabled QCA to refine its requirements and suppliers to develop their proposals during the procurement exercise."

[Ed Balls]

That was then endorsed by two OGC reviews. I have found no reason in the Sutherland inquiry to fault PricewaterhouseCoopers, other than the fact that there should have been the exercise of wider due diligence that should have been picked up by the OGC. That is one of the recommendations that I am acting on.

As for the wider financial information about PricewaterhouseCoopers, I shall have to come back to my hon. Friend the Member for North-West Leicestershire (David Taylor), as I do not have the answer in front of me. *[Interruption.]* I do not have the answer in front of me, so I shall have to get back to my hon. Friend.

I asked Lord Sutherland to look at procurement in 2009. He has done so, and in his letter to me he says:

> "It appears that a very thorough risk assessment has been conducted, which I believe is an essential component of any good procurement process. It will now be important to ensure that these risks continue to be actively monitored and addressed throughout the duration of the contract."

I have today asked the QCA's new leadership to make sure that that happens. We are very aware of the matter, and it is one of the lessons from the Sutherland inquiry. In all cases, the Government will make sure that the recommendations are implemented properly, because that is the right way to rebuild confidence in testing for the future.

Points of Order

6.7 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): On a point of order, Madam Deputy Speaker. On 3 December, during the Queen's Speech debate, I intervened on the Prime Minister to ask when the Government would formally produce a response to the parliamentary ombudsman's report on Equitable Life. He assured me, in this Chamber, that the Government's response would come before the House of Commons before the Christmas recess. That has not happened, and it will not happen now. I am appalled that the Prime Minister should make a commitment of such magnitude and then renege on it. Is there any chance that we could bring him before the House to explain himself?

Madam Deputy Speaker (Sylvia Heal): That is not a point of order for the Chair. However, the hon. Gentleman's comments are on the record and of course this House still has two further days to sit before the Christmas recess.

Mr. Kevin Barron (Rother Valley) (Lab): On a point of order, Madam Deputy Speaker. The Chair of this Chamber has a great tradition of protecting the interests of Back Benchers, but today is estimates day and Back Benchers have lost some 2 hours and 38 minutes of debate on those estimates. Is there any way that Back Benchers can be protected, so that our Select Committee reports can be discussed without any loss of time for debating other matters such as we have witnessed this afternoon?

Madam Deputy Speaker: I understand the right hon. Gentleman's concerns, and that it is important for Back Benchers to have the opportunity to contribute to debate. Again, I shall make sure that his remarks are brought to the attention of Mr. Speaker.

Estimates Day

[1st Allotted Day]

VOTE ON ACCOUNT, 2009-10

OFFICE OF GAS AND ELECTRICITY MARKETS

Energy Prices, Fuel Poverty and Ofgem

[Relevant Documents: The Eleventh Report from the Business and Enterprise Committee, Session 2007-08, HC 293, on Energy prices, fuel poverty and Ofgem, the Government response, HC 1069, Session 2007-08, and the First Report from the Committee, Session 2008-09, HC 32, on Energy policy: future challenges.]

Motion made, and Question proposed,

That, for the year ending with 31 March 2010, for expenditure by the Office of Gas and Electricity Markets—

(1) resources, not exceeding £315,000, be authorised, on account, for use as set out in HC 1039 of Session 2007-08, and

(2) a sum, not exceeding £700,000, be granted to Her Majesty out of the Consolidated Fund, on account, to meet the costs as so set out.—*(Chris Mole.)*

6.9 pm

Peter Luff (Mid-Worcestershire) (Con): This is the last occasion on which my Committee, the Business and Enterprise Committee, will initiate a debate on energy policy. We have produced our last report, so this is something of a nostalgic occasion, although it will be much briefer than I had hoped. I would like to associate myself with the remarks of the right hon. Member for Rother Valley (Mr. Barron), the Chairman of the Select Committee on Health. When there are so many Government statements on a day on which there are important matters to debate, injury time should be added to our proceedings, so that all those who want to participate can do so. It is very regrettable that we are down to less than two hours for each of today's two important debates.

The Government were right to create a new Department of Energy and Climate Change given the importance of the issue of energy, but it is a policy area that members of my Committee and I will miss greatly. It is an endlessly fascinating policy area, with economics, domestic politics, science, geopolitics, social policy and many other considerations forming part of the mix. The policy needs to reconcile three often conflicting aims: security of supply, affordability and sustainability. For example, achieving sustainability often means subsidy and cost, and that is paid for by the consumer, which means higher prices. Security of supply means investment, and that means reasonable profits for the energy companies, which means that prices must move with markets—and with the imperfect wholesale markets, too.

At the start of the year, the six main energy companies announced double-digit price hikes for their retail gas and electricity consumers. Not surprisingly, those steep increases were met with howls of protest from consumers, politicians and the media. *The Sunday Times* even went as far as to say that the big six were operating a cartel. The firms told us that they were simply responding to rising wholesale prices. Understandably, the Chancellor and the Government wanted to appear responsive to consumers' concerns, so the Chancellor hauled the Office of Gas and Electricity Markets before him and demanded to know what was going on—perhaps surprisingly, as he had had responsibility for Ofgem only six months previously. Ofgem responded:

"Britain's competitive market in energy is working."

We did not believe the regulator. We called in the then Minister for Energy, the right hon. Member for Croydon, North (Malcolm Wicks), who is in the Chamber—it is a pleasure to see him here—in order to understand what was happening. His evidence was eloquent and elegant, as always, but I have to say that we were not totally reassured, so we launched our own inquiry. It soon transpired that Ofgem did not believe its analysis of the markets either, as the regulator launched its own probe into the energy supply market little more than two weeks after we had done so. We do not believe that Ofgem would have launched its probe had we not forced its hand. At the very least, our inquiry ensured that the regulator did its job properly. Its initial findings are a very thorough job of work. Our work turned into one of the largest and most complex inquiries that the Committee has ever conducted, and this debate marks its culmination, as we hand over responsibility to the new Committee in the new year.

This debate is primarily about our July report, "Energy prices, fuel poverty and Ofgem" but also tagged is our most recent—and last—report, published last Friday, called "Energy policy: future challenges". Together, the two reports represent our main views on those complex issues, and I hope that the new Committee will study them carefully. I believe them to be politically and economically well-founded and, for such a complex subject, to be pretty readable, too. I want to thank all the Committee staff who worked so hard to ensure that the documents were published rapidly and efficiently. I am blessed with a great team in my Committee office, and I am proud of them all.

Let me turn to the subject of wholesale oil and gas markets. Any discussion of energy prices must begin with the price of oil. At the start of 2008, the markets heralded a price of $100 per barrel—an amount that would have been unthinkable five years ago. Not content with one high watermark, the markets continued to push prices up for the first half of the year. By the time my Committee published its July report, prices had reached almost $150, and some pundits were predicting that the price would be $200 or even $250 by about now. Such expectations now seem laughable. The energy price bubble has met the same end as most other asset price bubbles; it was pricked by the harsh reality of a sharp economic downturn. That is not to say that the oil price will not reach such heights again—it probably will, but not in the short to medium term.

The important point is that the price of gas and electricity are inextricably linked to that of oil. That is because the UK is no longer self-sufficient in its supply of gas, and must instead depend increasingly on imports, particularly from Europe. On the continent, for largely historical reasons, gas prices are linked to oil prices. There is no economic rationale for that at all, and no one could really explain to us why it persists, other than that it seems rather to suit the interests of the oil and gas companies.

[Peter Luff]

Gas supply from the UK continental shelf is falling rapidly, and almost all the new electricity generating capacity due to come online in the short to medium term will use gas. That means, it seems, that the UK's dependency on gas imports is set to increase. That poses major challenges for the Government. We have a liberalised gas market in the UK, but it is structurally tied to an unliberalised European market. UK gas prices rarely fall below European levels because our companies simply choose to export surplus production. That is particularly the case in the summer, when gas consumption is lower. In the winter, UK prices have to rise significantly above European levels to attract that gas back. That is part of the reason why we have seen such large spikes in the price of gas during recent winters.

A further big reason is that the European markets have not liberalised in the same way as we have. There is not much that we can do about that, try as we might. Heaven knows successive Energy Ministers have tried, and I am sure that they will continue to do so.

Mr. Mike Weir (Angus) (SNP): I agree with the hon. Gentleman's analysis, but does he not agree that the situation is even worse than that? In its evidence to the Committee, the Energy Intensive Users Group said that even when its members were in a position to take gas from continental suppliers, those suppliers would not supply it to them, so they could not take advantage of cheaper supplies on the continent, even where an interconnector existed.

Peter Luff: I am most grateful to the hon. Gentleman—a distinguished member of my Committee—for that remark. As far as I am aware, that issue has not yet satisfactorily been addressed. It seems to be a breach of the simple single market rules of the European Union, and I cannot understand that. It is a matter of great concern to the Committee, and I hope that it will be to our successors, too.

On gas supply, the Government must take some of the blame for the current predicament. If we were able to store gas at times when it is cheaper, the UK would not suffer from the current volatility in prices. Our growing dependency on gas and the need for more storage was a car crash that the Committee, and its predecessor, saw coming years ago, and I am afraid that the Government have been very slow to react to it. We have just 13 days of storage capacity. Germany has 99 and France has 122. Even if all the projects under construction or with the required consents were built, we would add only another five days of storage by 2014. In other words, we need growth of a greater magnitude than that achieved to date if we are to match the Europeans and protect our vital national interests. Planning has been a problem in that regard, as it has been for many aspects of energy infrastructure. We can only hope that the new Infrastructure Planning Commission will help in that regard, although even if it does—there are some doubts about that—it will be some time before it begins to have an impact. The Government must move quickly to put in place a national policy statement on gas storage.

Worryingly, planning is not the only important issue. The industry told us that the economic incentives for the market to build new storage simply did not exist until fairly recently. Those incentives have now been virtually wiped out by the collapse in energy prices, and by the reduced availability of financing resulting from the credit crunch. In simple terms, the market will not deliver. If new storage capacity is to be built on time, the Government must think again about the incentives that they can provide.

Lack of gas storage is not the only problem with the wholesale gas markets. Companies have been investing in new infrastructure for liquefied natural gas imports to the UK. One of our main facilities is at the Isle of Grain. Its owners—BP and Sonatrach—have barely used it this year, choosing instead to send LNG to the far east, where economies are willing to pay more. Third parties have the right to use the facility, but none has done so this year. Ofgem has been dismissive of the possibility that the regulatory framework for gaining access might be a factor, despite several witnesses telling us that it is. We believe that Ofgem should look again at the issue. Otherwise, we will have concerns about the outlook for new LNG capacity at Milford Haven.

Liquidity in the gas market is a major concern for the Committee. For those who want to buy gas to use right now, the UK has one of the most liquid gas markets in the world, but that is not the experience for manufacturers who want to hedge prices by buying ahead; they just cannot do that. The financial crisis has served only to reduce liquidity further. Ofgem and the Government—I hope that this will not be true of the new Department—do not seem to believe that that is a problem. The UK's manufacturing base has told us otherwise. When even an arm of government—the NHS Purchasing and Supply Agency—is concerned that there is

"no effective long term market"

for gas, the Government and the regulator should take notice.

What about wholesale electricity? Failings in the wholesale gas market feed through to the wholesale electricity market, because 40 per cent. of our electricity comes from gas, and it provides the marginal source of generation in the UK—it sets the price. Our Committee found serious failings in that market, too. In 2008, electricity prices have been driven up, not just by higher gas prices, but because of environmental costs. For example, Ofgem reckons that since the start of phase 2 of the European Union emissions trading scheme, £9 per megawatt-hour has been added to the price of electricity, despite the fact that generators receive 93 per cent. of their permits free of charge. The Government estimate that the resulting windfall is about £2 billion a year over the five years of phase 2.

No one knows exactly what the energy companies are doing with their windfall gains, which are distributed very unevenly between energy companies and generators. At first, the energy companies denied that the windfall gains even existed, and to the extent that they did admit to them, companies claimed that the value of the windfall had been passed on through lower prices or greater investment—investment that we need. The Government have rightly taken a different view in clawing back some of that money to tackle fuel poverty—that was one of the recommendations in our July report—but we are disappointed that neither they nor Ofgem has conducted a fuller analysis of what those windfalls were or how they were distributed.

When the Committee published its report, the big six controlled 55 per cent. of electricity output, with the rest shared among the independent generators. In recent months, further consolidation has been promised, with the purchase of British Energy by the French company, EDF, which will own nearly a quarter of the UK's electricity output, with the big six controlling nearly three quarters of that output. Our report pushed the regulatory bodies to ensure that that consolidation did not affect the competitiveness of the market adversely, and I hope that the European Commission will have something to say about that when it reports on the acquisition of British Energy.

Consolidation, however, was not our only concern. Many witnesses hid the fact that their companies owned both wholesale and retail arms—there was no transparency on where their profits were made. If other firms—potential new entrants—cannot see where profit-making opportunities lie in the value chain, it is easy to see why they are reluctant to enter the market to compete with the existing players, which is why we welcome Ofgem's decision, following the Government's prompting in response to one of our recommendations, to require the vertically integrated companies fully to disaggregate their accounts. That is an important, and big, step forward.

Mr. Weir: Again, I agree with the hon. Gentleman, but does he not accept that there is a problem, as many of our energy companies are owned by multinationals, and it is even more difficult to find which part of their profits comes from the UK?

Peter Luff: The hon. Gentleman makes an important point with which I agree. It is something about which British Gas is particularly aggrieved, because it sometimes gets more of the blame than other companies because its profits are more visible than those of its competitors.

Sadly, that is not the only issue facing new entrants. We found that the electricity market suffers from a profound lack of liquidity—a problem exacerbated by the financial crisis—which contributes to price volatility and poor price transparency. It contributed, too, to the exit of two of the largest independent electricity suppliers outside the big six in recent months. We welcome Ofgem's tough line on this issue, announced in its probe findings, and we hope that our successor Committee will look at the issue in detail. As it stands, the market discourages new investment in generation by new entrants, which leaves us heavily dependent on the big six to deliver the conventional capacity that the UK needs to replace the nuclear and coal-fired power stations that are set to close in the coming years. We are fearful that the economic and financial crisis will lead to delays in that much needed investment.

That creates a serious risk, highlighted in our most recent report, that the UK could face an "energy crunch" in the coming years. As with gas storage, it is clear that the market could fail to make the necessary investments on time without intervention from the Government. Every month that we lose increases the risk of the lights going out, or of increased dependency on gas generation, or both. The Government have already said in their White Paper last year that security of supply is their top priority alongside reducing carbon emissions. They will now have to work very hard to ensure that those two objectives do not become mutually exclusive. For example, new coal-fired generation will be possible only if there is significant progress on carbon capture and storage, which requires a much greater level of investment from the Government. They must quickly make the relevant national policy statement on nuclear power, and learn from the recent Finnish experience of cost overruns and delays, if new nuclear is to play the role that they want in the future energy mix, and which I believe it is right to want.

The retail markets receive most attention, and we uncovered many problems in the service provided to households and small businesses. I want to make it clear that neither we nor Ofgem found any evidence of the energy companies acting as a cartel, but they do not need to do so. Given that the market is dominated by just six players, it is easy for them to make informed judgments about one another's actions and position in the market. They do not need to collude, because the market is broken. Ofgem has, rightly, always advocated the benefits of consumers switching to realise the benefits of the liberalised markets. About half of households have changed either their electricity or gas supplier since liberalisation. Most of them have done so to benefit from a dual-fuel tariff or some other offer. However, 20 per cent. of households have never switched, and they are predominantly pensioners, people in social group E and those in rented accommodation—in other words, some of the most vulnerable people.

Our inquiry and Ofgem's probe found that those consumers least likely or able to switch were most likely to be the victims of price-discriminatory practices by the energy companies. For example, suppliers charge their legacy customers—the ones who stay with them and do not switch—an average of 6 per cent. more for electricity than out-of-area customers. Suppliers earn much higher margins on electricity than on gas, thus disadvantaging 4.3 million households that are not on the gas main. Both standard credit and prepayment meter users are disproportionately overcharged compared with direct debit customers. I therefore welcome what Ofgem said today, but I want to highlight the issue and ram the point home: it is not just about prepayment meters—where standard credit terms operate, that is where the bulk of fuel poverty exists.

John Battle (Leeds, West) (Lab) *rose—*

Mr. Russell Brown (Dumfries and Galloway) (Lab) *rose—*

Alan Simpson (Nottingham, South) (Lab) *rose—*

Peter Luff: I shall give way, first, to the right hon. Member for Leeds, West (John Battle), secondly to the hon. Member for Dumfries and Galloway (Mr. Brown), and thirdly to the hon. Member for Nottingham, South (Alan Simpson).

John Battle: Most of us welcome the Committee's work and the timely reports that it has produced. Does the hon. Gentleman agree that many of the 6 million people on prepayment meters in particular do not have bank accounts and cannot switch, so it is not an option for them? They pay £100 a year more than standard payers, and they pay £500 a year more than people on direct debit. Even under Ofgem's proposals, they will pay £51 a year more. Is it not time to end the iniquity of the poorest subsidising the rest of us, and to ensure that people on prepayment meters do not pay a penny more?

Peter Luff: The Committee's view on that point was very simple. There are additional costs involved in running prepayment meters, and it is essential that there is no excessive recovery of price beyond that actual economic cost. If the Government want to say that those people should pay the same price for electricity as people on other terms, some kind of subsidy is required—either a cross-subsidy from other consumers or a subsidy from the taxpayer. That is a perfectly legitimate thing to want to do, but I point out that a cross-subsidy from standard credit customers to prepayment customers would work against the interests of tackling fuel poverty. However, I accept the point that the right hon. Gentleman makes.

Mr. Russell Brown: May I, too, congratulate the hon. Gentleman and his Committee on their work? In recent weeks something has come to the fore that I discussed with interested groups in the summer recess, and it concerns people who pay by direct debit who have received demands from their supplier to increase their monthly payment. On a personal basis—and I let my good lady wife deal with this—I received a demand in recent weeks for an increase of 57 per cent. on what we previously paid. When my wife challenged that—that is the point: I have encouraged people to challenge those demands—the energy company reduced it to 17 per cent. The companies are taking people's money, putting it into their bank accounts, and they may well be dragging people needlessly into fuel poverty.

Peter Luff: I am grateful to the hon. Gentleman for making that important point, which I was going to mention later.

I said some things about that to the BBC two or three weeks ago, and all hell broke loose. My e-mail inbox and my postbag have swollen to huge proportions, because there are many experiences like that. The essential weakness of the energy companies' position is that nine times out of 10, they reduce the price. When the Minister appeared before the Committee, he admitted that he had a similar experience with his direct debit. I have had a similar experience with mine. I know police officers, journalists and colleagues in the House who have all had the same experience. The problem is too widespread to be ignored. I gave a file of evidence to Ofgem, which is looking at what it can do to investigate the problem. It says that it lacks quantitative evidence but, my God, it has a lot of qualitative evidence. It needs to get on with it and look at this, because it is an important issue. If we want to move people on to direct debit terms to get the benefit of better prices, we must tackle other aspects of the deal that hurt those people, as could well be the case at present.

Alan Simpson: I, too, am grateful for the work of the hon. Gentleman and his Committee. Were they able to look rigorously at the weakness of Ofgem's claims about switching and the fuel-poor? The reality is that 1,000 households a week have been forced, as a result of fuel debt, to come off standard tariffs and on to prepayment meters, which is the only choice that they are offered. Even the argument that someone who has not been forced on to a prepayment meter could choose to switch to another tariff is not valid, because they do not have access. Conditions applied by energy companies say that to gain access to the best tariff people must have been a customer for at least a year before they can have such an entitlement. Those measures progressively exclude the fuel-poor, rather than include them.

Peter Luff: That is a powerful point. I strongly suspect that my hon. Friend the Member for Wealden (Charles Hendry) will make some observations about the Post Office card account when he speaks on behalf of the Opposition, and offer some proposals to deal with that issue. The hon. Member for Nottingham, South is absolutely right, but that is not the only concern, because we are concerned, too, about the number of people who switch on to higher tariffs. The evidence is that 20 to 32 per cent. of households move on to a higher tariff after switching, so it is a mess.

On the specific issue of the fuel-poor and direct selling, recent evidence from Ofgem showed that 48 per cent. of gas customers and 42 per cent. of electricity customers who switched as a result of a direct sales approach—doorstep selling—failed to achieve a price reduction. Ofgem has proposed action, but we think that although direct selling plays a role in helping people switch, if it helps people switch wrongly, it is doing more harm than good and needs to be banned. We will look at that carefully.

Incidentally, it is not just private individuals who are affected, but small and medium-sized enterprises. We heard compelling evidence of predatory pricing, delaying tactics to win back customers, and confusing contract cancellation requirements. We are glad that Ofgem is looking at the SME market as well, but it is sad that that has come too late for my constituency company, BizzEnergy, which has gone into receivership, and for Electricity4Business, which has been driven out of the market. The market is thus becoming less, not more, competitive.

I would say a great deal more about fuel poverty, but time is against me and a number of colleagues wish to speak. Briefly, we believe that fuel poverty levels will reach 5.5 million. That figure is quite widely accepted. The Government will therefore fail to meet their target to eradicate fuel poverty for vulnerable households by 2010, unless there are sharp reductions in price in the future. In our reports, we asked for the Government to go back to the drawing board in their approach to fuel poverty.

We asked for a mandatory definition of what constitutes a social tariff and who qualifies for it. We said that income-raising measures should be targeted more accurately at the fuel-poor, not only pensioners. Pensioners are not the only group in fuel poverty, just as prepayment meter customers are not. Disabled people and many other vulnerable groups are also in fuel poverty, and we need to take action to help those groups as well, particularly through levels of investment in the energy efficiency of our housing stock.

We were very pleased to see the Government's £1 billion fuel poverty package, which we thought struck the right note. That will prove the most effective way of addressing fuel poverty in the long run. However, I repeat that we are very sorry that so little has been done to address the needs of the fuel-poor other than pensioners.

Finally, our work over the past year has shone light on many problems in the UK's energy markets—energy markets of which we all thought we could be rather

proud. That light caught the market's regulator, Ofgem, unawares. We feel as a Committee that we have set the agenda for Ofgem on too many occasions—for example, the direct debit issue was not being considered, but as a result of our Committee's activities, it is being looked at now.

Although we welcomed the regulator's recent probe of the energy supply market, and many of its proposals, we hope Ofgem will make a new year's resolution for 2009 and take time to reflect on how it fell so far behind the curve in 2008. Part of the solution may lie in its powers. We hope the Government will look to ensure that the regulator has all the tools it needs to police the sector effectively. There is an important recommendation in our most recent report in relation to market abuse powers, which we are sympathetic to Ofgem's claim to gain for itself.

Mr. Elliot Morley (Scunthorpe) (Lab) *rose—*

Peter Luff: I give way with pleasure to the right hon. Gentleman.

Mr. Morley: I am grateful and add my support for the report. It is a very good job and extremely readable. I was interested in what the hon. Gentleman said about whether Ofgem's powers had kept up with the changes in the energy market. Interestingly, the report mentions that where Ofgem had tried to intervene, the Competition Commission had blocked it. Does he think it is just an issue of Ofgem's powers, or is there a bigger structural problem?

Peter Luff: What the chief executive said to us is that "the Enterprise Act or the Competition Act is quite often a very clumsy tool—using a sledgehammer to crack what may be a big or a small nut". If we could give Ofgem more carefully defined and targeted market abuse powers, it could crack those small nuts, which are often the problems that cause most grievance to our constituents, and understandably so.

Such considerations as we have been debating need also to be placed within a wider debate on the effectiveness of the overall regulatory regime for energy. A plethora of bodies now exists. They include Consumer Direct, Consumer Focus, the energy ombudsman, the energy companies and Ofgem itself. I find such a framework confusing and I am trying to work my way through it. Members of the Committee find it confusing, and the witnesses who came before us said that they thought it probably would be confusing.

I know that there have been changes recently that will take time to settle down, but one wonders how our average constituent is supposed to understand the system. After saying that I was referring the direct debit issue to Ofgem, I have been getting quite a lot of letters saying, "But Ofgem has been abolished." No, it is Energywatch that has been abolished. These constant changes are unhelpful, and the structure runs the risk of not properly informing the regulator about issues and problems in the market.

The events of 2008 within the energy sector and the wider economic context have profound implications for the UK's future energy policy. Ofgem and the Government must now rethink whether the assumptions that they have made are the right ones. Is the market working as effectively as both claim? I do not think it is. Will that market deliver security of supply? It is far from certain that it will. Can that be achieved without sacrificing our carbon reduction ambitions? It must be, and I hope it will be.

Are the renewable energy targets really achievable? I have yet to hear anyone who thinks they genuinely are achievable. They are good targets to work towards, but can we achieve them? I doubt it very much. A question that worries me a great deal is whether it is right to devolve important social policy questions about poverty to Ofgem and the energy companies. Are those not matters for Government to decide?

On a specific point, I think smart meters are an important part of the answer to the direct debit question, to carbon dioxide reductions, and to informing consumers about what they are consuming. I note that the Government are in a two-year consultation period for a 10-year roll-out programme for smart meters. Italy did smart meters in three years, so I hope we can move a little more quickly on that subject. We could find mechanisms to enable us to do that. There might be some extra cost, but the benefits would be huge.

These are many of the questions—not all of them—that the regulator, the Government and the new Energy and Climate Change Committee face, among others, in the coming years. I am sorry to kiss goodbye to these issues. They are vital ones, and the Committee and the Government have some very important questions to face.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. May I advise Members that the Chair of the Business and Enterprise Committee, Mr. Peter Luff, and the Chair of the Health Committee have decided that the time for debate will be divided equally between the two subjects, so the present debate will conclude at about five minutes past eight. I hope, therefore, that hon. Members will be as brief as they can so that more Members can make a contribution.

6.35 pm

Dr. Alan Whitehead (Southampton, Test) (Lab): I join right hon. and hon. Members in paying tribute to the work of the Business and Enterprise Committee and its two recent reports, both for their content and for their quick and timely production. They address the current volatile issues in the market and the longer-term trends on which we should base our energy policy, rather than what is happening daily.

Although oil peaked at $147 a barrel in July, it has apparently been in free fall ever since, with its current price at $40 to $45 a barrel. That underpins everything else connected with our energy supplies. We must track those curves to make sure that the energy companies charge consumers prices that relate to those and other changes, such as the fact that two nuclear power stations have been out of commission for a considerable time, which raises issues of confidence in our electricity supplies, and the changes in the value of the pound, which have implications for the importation of gas.

It is important to keep those curves in sight when we discuss energy charges. Notwithstanding the cheaper energy prices that may be with us for a while, it remains fundamentally true that the era of cheap energy is firmly over. It is more than possible that when leading industrial companies come out of recession, the price of oil could rapidly rise very high indeed. We need to

[Dr. Alan Whitehead]

make structural changes to our medium and longer-term energy policies and supplies, rather than simply deal with shorter-term changes.

Those considerations are relevant to the problem of fuel poverty. We are told that, because of the definition of fuel poverty as a percentage of income, 40,000 people go into fuel poverty for every 1 per cent. rise in electricity prices. Logically, 40,000 people come out of fuel poverty, according to that definition, if prices come down. If prices are in a slump, the Government might look as though they are reaching their target for the eradication of fuel poverty over, say, a six-month period, yet six months later they might look as though they are way off beam. The people involved, of course, do not have more money in their pockets to pay for fuel, and neither do they consume different quantities of it; they have simply moved around as a result of forces way beyond their and other people's control. We need to concentrate on structural changes to the relationship of fuel-poor people to the energy that they consume. That is the right way to combat fuel poverty in a high-cost energy economy.

That will require measures to enable fuel-poor people to control their energy consumption more effectively, and the recent measures to equalise prepayment meters are a pointer in that direction. The issue is not just that people with such meters are more likely to be in fuel poverty, although that is not exclusively the case, or that it is unfair that prepayment meter users are charged excessive premiums, although my right hon. Friend the Member for Leeds, West (John Battle) is absolutely right to be concerned about how those meters have effectively been used as an additional charging device. The issue is also that if consumption is controlled, an additional expense for the fuel-poor is avoided.

In defence of the direct debit payers, who are the yardstick by which pre-payment meters are measured, I might add that, as the hon. Member for Mid-Worcestershire (Peter Luff) emphasised, just as small imbalances in a roulette wheel system will always benefit the casino, small changes in direct debit payments appear systematically to end up putting money in the energy companies' banks. Even given the churn over time, direct debit consumers are probably systematically lending energy companies money. That does not appear to be right as far as long-term energy supplies are concerned, and I hope that Ofgem will take seriously an investigation into the matter. One of the roles of the successor Committee should be to make sure that the issue is pursued.

Mr. David Winnick (Walsall, North) (Lab): Does my hon. Friend agree that there should be maximum pressure, certainly from Parliament and the Government, on the energy companies to reduce their prices substantially, given what is happening with wholesale prices? Does he not agree that the feeling among so many of our constituents about the energy bosses is one of contempt—even more than they feel for bankers? In fact, the general mood is that when people deal with the energy bosses, they are dealing with greedy swine.

Dr. Whitehead: I do not entirely go along with everything that my hon. Friend says about energy companies. However, we are moving into a new form of fuel economy and a number of energy companies' assumptions about how the market operates—and for their own benefit—need to be fundamentally reviewed. There were assumptions that worked apparently well in an era of very cheap energy, when people were not particularly concerned about the environmental consequences of their energy consumption and the role of energy companies was—provided that the lights stayed on—to provide as much energy as possible to people at the lowest possible cost. If they made a lot of money, there were no further issues to address. However, now the issues have all fundamentally changed, and the role of energy companies in addressing them and changing things becomes crucial. Energy companies that do not change are guilty of living in a different era of energy supply and making assumptions that are not acceptable in the current debate on energy supply.

Bob Spink (Castle Point) (Ind): I accept that the hon. Gentleman does not altogether subscribe to what the hon. Member for Walsall, North (Mr. Winnick) said about energy bosses, but I think that he would acknowledge that the energy companies have acted too slowly and not sufficiently to deal with the problems. Does he not think that one of the solutions is to put social tariffs on a statutory basis—standardise them across the companies so that the public can understand them, and make sure that we in the House, the Government and the companies themselves make the public aware of them? Currently, the public are simply not aware that social tariffs are available. Does the hon. Gentleman not think that what I have mentioned might be part of a good solution?

Dr. Whitehead: I thank the hon. Gentleman for that suggestion. Putting social tariffs on a statutory basis and making sure that they are not simply a device to shift responsibility for underwriting them to different forms of customers is important. However, I emphasised earlier that our world has changed; I also think that simply saying that we can shift notions about how people pay for electricity is not a sufficient answer to fuel poverty or energy supply problems.

I mentioned the problems of prepayment meters and those who pay by direct debit. Both those issues could be resolved instantly by the introduction of smart meters. Smart meters give people control of their energy supply and mean that readings can be made regularly, rather than there being estimated bills. Prepayment smart meters could be calibrated regularly and an accurate reading could be made of what is being paid. All that would make a big difference to how the energy is supplied and the consequences.

I hope that the programme enabled by the Energy Act 2008 to roll out smart meters is substantially truncated. As far as meters are concerned, we are living in a medieval world. There are still what are virtually wind-up meters in many houses, and a lot of the time those who clamber in to read the meters do not do so accurately. A lot of people are living in a world of estimates and possibly of substantial overpayments, whatever their tariff.

Lynne Jones (Birmingham, Selly Oak) (Lab): My hon. Friend mentioned truncating the programme, which is expected to take as long as until 2020 to be implemented. What does he consider a reasonable length of time for

such a programme to be implemented nationwide? Does he agree that we need a programme such as the one that operated when there was household switchover from coal gas to natural gas?

Dr. Whitehead: Personally, I think it essential that smart meters are rolled out in the shortest time possible if we are to move into the new era of energy supply—particularly if we are to supply as little energy as we can, rather than as much as we can, to each household. Anything we can do to truncate the period as much as possible—perhaps by three to four years—is important. Measures suggesting that at any one stage the six major companies could visit the same street, to compete to put the smart meters in, are probably not the way to go. It is important for us to consider a roll-out area by area.

The change heralded in the recent pre-Budget report in how we look at energy is also important. There was £300 million for the community energy-saving programme—which, incidentally, is to be rolled out street by street and not as a patchy programme—and an additional £174 million for the Warm Front programme. There was also an increase in the carbon emissions reduction target over the next two years, a £3.7 million commitment. However, the process by which energy companies appear to have to search out the fuel-poor and vulnerable so that their properties can be made more energy-efficient will have to be considered again. Local authorities have a substantial role to play in that. If a further windfall tax on energy companies is being considered, such a levy needs to be placed firmly in the context of energy saving and controlling the use of energy. If we simply take a tax from energy companies that can be wholly recovered by them, we will not make any difference to what is happening to energy supply and we will have failed in terms of the imperatives that now exist as regards the energy market.

Martin Horwood (Cheltenham) (LD): Does the hon. Gentleman agree that one of the fundamental changes that must one day take place is the breaking of the link between energy companies making greater profits and supplying more of the essential resource? Until that fundamental market link is broken, all these things will have a limited impact.

Dr. Whitehead: The hon. Gentleman uncannily anticipates what I am about to say.

A corollary of this change in how we deal with the energy market and energy supply is the extent to which the regulator has the ability to regulate structural changes in the energy market and ensure that it moves from a market in which energy companies are regulated on charging but not on supply, regardless of how much is supplied, to one where incentives and regulation are directed at the efficient supply of energy and efficient use of energy supply. I am not convinced that Ofgem, in its current incarnation, can perform that role. I remain concerned that its main weapon appears to be switching, yet more than 30 per cent. of people switch to a higher priced tariff in any event. Even if everybody switched, there would not be a lower supply of energy to any particular household as a result.

Mr. Paul Truswell (Pudsey) (Lab): Will my hon. Friend condemn the practice of suppliers who impose a financial penalty on customers who want to switch tariff with them or to move to another supplier? Does not that militate against the ability of consumers, particularly low-income families, to operate the market in the way Ofgem suggests?

Dr. Whitehead: My hon. Friend makes an important point. There are a variety of problems with switching, in the extent to which evidence suggests that a number of impediments are put in the path of switching and the extent to which people have usable information about what switching means for their future tariffs. However, that has to sit with the overall point that switching is not the answer in its own right, by any stretch of the imagination. Although it may be an important element of how the current market operates, it is ultimately a zero sum game as regards the imperative of reducing the total amount of energy going roundthe system.

One small structural change that we might pursue is to consider the methods whereby we deliver insulation and renewable, sustainable devices into the domestic environment and into small and medium-sized enterprises. The Treasury rules about what one can and cannot lease could be changed very slightly to make it possible to align the leasing arrangements in SMEs or the ability of energy companies to supply renewable products and insulation to homes. That would enable devices to be leased rather than purchased and therefore enable those leases to be paid for by the savings that people make in the energy supply that the devices then supply to their homes and buildings. At the moment, the Treasury rules say, "If you can wheel it out of the door you can lease it; if you can't, you can't." Even if it can be unbolted from the wall and moved away, it cannot be leased. A change in leasing arrangements, like other aspects we have discussed—smart meters, switching and other devices that do not look fundamentally significant in their own right—could make a substantial difference to how people manage their energy supplies and how energy companies deliver those devices and services to people. Over the next decade, we should try to achieve the aim of a low-carbon energy economy that nevertheless supplies energy at an affordable price.

6.55 pm

Steve Webb (Northavon) (LD): In the limited time that we have available, I want to focus on fuel poverty and the role of Ofgem. I echo the comments made by the hon. Member for Mid-Worcestershire (Peter Luff); given the importance of the topic that we are debating, it is nonsense to have less than a couple of hours to do so. There clearly should have been some sort of injury time.

The official figures tell us that there are 3.5 million households in fuel poverty, that earlier this year there was an estimate of more than 4 million and that the latest estimate by the Government's own Fuel Poverty Advisory Group puts the number at between 5 million and 5.5 million households. That is astonishing. Will the Minister discuss with his officials why we have official statistics on this subject that are two years out of date? I understand that the reason is partly that the English house conditions survey has to be done and processed, individual consumption has to be applied to that and the numbers crunched. However, we could surely have a broad estimate of what has happened since the survey was done. We know what has happened to the prices of the main suppliers and to benefit levels,

[Steve Webb]

and it would not be too difficult to get an up-to-date figure. That is important, because the changes that go on in the market have a different impact on different people. We are almost trying to make policy with a blindfold on. If we are using the fuel poverty statistics to inform policy, we should not be using two-year old statistics. If some estimate were made of what has happened since then, it could inform us as to whether, for example, people using the gas main, pensioners or people living in particular areas had been prejudiced.

The Minister of State, Department of Energy and Climate Change (Mr. Mike O'Brien): The hon. Gentleman will understand in the light of current controversies why I might hesitate to rush out statistics without their going through the full and proper process.

Steve Webb: I think that we will let the Minister off in this case. All I can say is that I strongly suspect that he would not be rushing out bad news early. To be serious, I point out that informed policy making needs up-to-date data, and that is a problem in this area.

I recently wrote to the big six energy companies and asked them for an up-to-date and comprehensive account of their social tariff structures. They all wrote back quickly and gave me a full account, which I will publish shortly. One or two interesting things came out of that, which I was not aware of and want to raise with the Minister. First, the Government have legislated to allow the companies to know which of their customers receive pension credit. The companies have told us in the past that one of the problems that they face is finding their poor customers—knowing who they are. The Government are now going to enable them to know who those customers are, at least as far as pension credit is concerned. The companies tell me that they are concerned about the assumption that once they know, they will have to do something about it. There are millions of people on pension credit, but only 600,000 people on social tariffs, and the Minister will know that there is a big difference between the two groups. What can he tell us about his expectations of the energy companies now that taxpayers' money is going to be spent on telling them which of their customers are on pension credit? Does he expect them to do anything about it? It would be interesting to know what the Government's position is on that.

Secondly, I found out about how breathtakingly complex social tariffs are; perhaps that was already well known to everybody else. I discovered that depending on which company someone is with, their eligibility for a social tariff might depend on how many bedrooms they have, whether they are over 60 or over 80, which benefit they are on or how long they have been with the company, so that they may have to switch to a company and stay with it for a year before they are eligible. I find that most consumers do not have a clue; in fact, many do not even know that their company has anything called a social tariff. I recently contacted a power company because I had met a very elderly lady who was struggling financially; I said, "Can you help her?", and it said, "Now we know that she is very elderly and struggling, we will switch her on to such and such a tariff, and that will save her a lot of money." She did not know, and if I had not contacted the company it would never have happened. That is laughably—or it would be laughable if it were not so serious—hit and miss.

That raises a serious question about mandating national standards on social tariffs. Given that the fuel-poor are the least likely to switch anyway, we cannot rely on them to shop around between all these different companies, with all these totally confusing social tariffs, all of which have different and changing rules, names and eligibility criteria.

Mr. Weir: Does the hon. Gentleman not agree that there is actually a slightly worse problem, because all the companies' tariffs are different? The tariff that someone is on might not be the best one, but that does not necessarily mean that they will switch to another company with a better tariff just because they are found to be fuel poor.

Steve Webb: The hon. Gentleman is right. Not only might someone be better off with another company or on a different social tariff; they might not even be on the best tariff of the company that they are with. Fuel poverty is important. I do not know when the figures for excess winter deaths will next be published—the Minister might be able to tell us—but they are truly shocking. One excess winter death is truly shocking, especially when we think of the cold countries that do not have that problem. One can only fear that this winter will be a bad winter. The fact that consumers are not accessing the best prices for which they could qualify is simply unacceptable.

There is a danger of comparing the companies in an unfair way. One company will tell the House that it offers more social tariffs than any other by a long chalk. That company may have closed its social tariffs temporarily, however, because it is waiting for the others to catch up. However, it can turn out that when the company applies its social tariff, it charges more than some other companies charge on their normal tariffs. The consumer is baffled by all this. Again, that is an argument for regularising the situation and giving people an entitlement, rather than just hoping that everything will work out.

The role of Ofgem is important. I woke up this morning to the sound of Alistair Buchanan—a bad move that has coloured the rest of my day. I have no idea whether he timed his announcement because we are debating Ofgem today—I am not a cynic—but he was boasting about the hundreds of millions of pounds that Ofgem had saved consumers. I did a bit of mental arithmetic over my cornflakes and worked out that if he has saved, to take some round numbers, £200 million in 20 million households, that works out at £10 a year or 20p a week on average. His proud boast this morning, therefore, was of having achieved an average gain for households of perhaps 10 or 15p a week—I accept that that is not averaged out over everybody, but the figures are not that great if we put them in context.

Alistair Buchanan told Nicky Campbell that he would stamp his regulatory hobnailed boots all over the companies if they did not play ball, but what has he been doing all this time, while the companies have been leaving vulnerable customers in fuel poverty, failing to alert people to the social tariffs and overcharging on direct debits? In many cases the companies' behaviour has been disgraceful, and the regulator has been pathetic. He wants us to

think that he is a tiger, but he is a pussycat. Will the Minister tell us what he thinks of Ofgem's performance? I hope that he will be candid and tell us whether he thinks the chief executive of Ofgem should still be in a job at Christmas.

Lynne Jones: Will the hon. Gentleman give way?

Steve Webb: I will, although I will also happily give way to the Minister if he wants to answer that one.

Lynne Jones: Does the hon. Gentleman agree that it is disgraceful that Ofgem is requiring the energy companies to release accounts on the separate wholesale and retail markets only now, after the most recent probe? Surely it should have done that years ago.

Steve Webb: Absolutely. As the Chairman of the Select Committee said, there is a litany of things on which the Committee has had to prompt Ofgem to do its job properly. That is totally unacceptable.

Ofgem identified three ways in which the companies were exploiting their market dominance. The first is through pre-payment meter premiums. I take the point that there has been some progress, but we have still not eliminated excessive penalties on prepayment meters. I also take the Chairman of the Committee's point that there is no straight corollary between prepayment meter usage and fuel poverty. We need to ensure that the fuel poor in particular are not being overcharged for their energy. The second way relates to people who are off the gas main and who cannot access dual-fuel benefits. Some action there is necessary; indeed, it is good to see some.

The third way in which the companies exploiting their market dominance, on which I have seen no evidence of progress, is through local monopolies. It has been put to me that companies such as—I do not mean to single this company out specifically—London Electricity, which became EDF, make all their profits from their legacy customers; that is, from inertia and from the people who have not swapped to an out-of-area supplier. That is a classic example of a market not working. Where a company has a huge base of inherited customers, many of whom would be better off switching, but who have stuck it out because they do not know how to switch, cannot be bothered to switch or whatever, that company can cream off millions. Ofgem says that there is a problem, but does not seem to be changing much. We need to give a kick—with a hobnailed boot, I suppose—up the backside of Ofgem, so that it really gets serious with the companies.

The House would not expect me to reserve all my criticisms for Ofgem, and the Minister would be disappointed if I did not direct some at the Government, so I will balance things up. Ofgem and the Government are like Tweedledum and Tweedledee, because they both say exactly the same thing: "If you don't behave, we'll get tough." I have noticed that when I threaten my children with discipline but then fail to deliver it, they continue to misbehave. If the Minister thinks of himself as a slightly grumpy parent, I hope that he will realise that when he threatens discipline but does not deliver it, the children will go on misbehaving. My children have learnt—such behaviour is called learnt behaviour—and I am afraid that the energy companies have also continued to behave as they do. They have been told that they are in the last-chance saloon, but they have been ordering extra rounds over and over again.

Somebody has to draw a line. Somebody—I do not much care whether it is the Government, Ofgem or both—has to tell the energy companies. The fuel-poor and our constituents more broadly are fed up with people threatening to get tough. That has gone on long enough. The fuel companies have been given enough rope to hang themselves and that is what they have done. Now someone has to pull it a bit tighter. Of course they have a right to trade and make a profit. Indeed, we need them to make a profit to invest. I understand all those things. However, the energy companies are not making a profit through economic efficiency in a dynamic market, they are exploiting a quasi-monopoly, and the most vulnerable people in our society are losing out as a result. That has gone on for too long; it has to stop.

7.6 pm

Nick Ainger (Carmarthen, West and South Pembrokeshire) (Lab): I have been involved in the oil industry since 1973, first working in it and from 1992 representing Milford Haven, the largest UK oil port. When I saw crude oil prices starting to rise in the middle of 2007, peaking at $147 a barrel in July 2008, I scratched my bald head and thought, "What on earth is going on?" Since 1973, I have seen middle east crises, the straits of Hormuz closed, the Iran-Iraq war, problems in Nigeria and hurricanes in the gulf of Mexico that have taken out significant proportions of the American refining industry. However, I have never seen the price of crude oil double, as it did between the summer of 2007 and the summer of 2008, or fall to around $40 a barrel, as it then did in the space of six months.

The effect of that has been catastrophic. We have been talking about fuel poverty and the fact that since around the beginning of 2007, 2 million more people are likely to be in fuel poverty than before. We have seen riots around the world and the beginning of a huge global downturn, the like of which the Chancellor of the Exchequer believes we have not seen for 60 years. We have seen a huge hike in energy prices, coupled with the credit crunch—I want to link the two, because I believe that they are absolutely interconnected—and now we are facing a severe downturn.

When I undertook some research in February and March on why the price of crude oil was doing what it was doing, I discovered that the US Congress was conducting exactly the same sort of investigation and taking evidence, so I have used quite a bit of that research. It appears that approximately five years ago, commodity index funds started to grow quite substantially. Between 2003 and July 2008, trade in commodity index funds in a range of commodities, not just oil, grew from $13 billion to $317 billion. Taking into account not just trading on the exchanges, but all the over-the-counter trading taking place, the Bank for International Settlements believes that there is some $9 trillion involved in commodity futures and speculation.

In the summer of 2007, when the credit crunch began, investors abandoned stocks and shares—certainly banks' stocks and shares—and sought an investment market that appeared to them to be safe and profitable.

[Nick Ainger]

They alighted on commodity index funds for understandable reasons: these were pension funds, university endowments and the funds of insurance companies. The investors needed a safe income, and, believing that commodity index funds would provide it, they piled into them. As a result, we saw a huge growth in the market for commodity index funds. I am certain that the link exists—that the consequence of that huge influx of funds was the remarkable speculative spike that has caused so much damage.

It is interesting to learn the views of people who would be expected to know something about such matters. In April 2008, in a report, Citigroup spoke of

"A Tidal Wave of Fund Flow—Despite the economic gloom many commodity prices hit new highs in recent weeks, driven largely by investment inflows."

George Soros, who certainly knows all about these matters, said in April 2008:

"You have a generalized commodity bubble due to commodities having become an asset class that institutions use to an increasing extent."

Goldman Sachs, one of the biggest players in the commodity index funds market, said:

"Without question increased fund flow into commodities has boosted prices."

An even more famous organisation, Lehman Brothers, said:

"We have argued recently that some of the price buoyancy during Q1 reflected financial flows and investments in oil and other commodities... Our study indicated that for every $100 million in new inflows, WTI"

—this was a reference to West Texas Intermediate oil—

"prices increase by 1.6 per cent... Our conclusion for this study is that we are seeing the classic ingredients of an asset bubble."

The financiers were saying "We have now spotted what is happening. We are in an asset bubble."

At the same time, on the other side of the coin, the oil industry—certainly the Saudi energy Minister, and many other energy Ministers in OPEC—were saying "Don't blame us, guv. We do not envisage a fundamental problem between supply and demand." In fact, Members may recall that Saudi Arabia was prepared to increase its output by 500,000 barrels a day back in May and June. There was not really a problem of tight supply. I have concluded that while China and India were certainly playing a role in increasing demand, that did not justify the level of increase that we saw between the summer of 2007 and the summer of 2008.

Another factor that had an impact, according to pundits, was the fluctuation in exchange rates—the weakness of the dollar in relation to the euro, and so on. Again, that will have been a factor, but it does not account for the huge spike that we saw. That is true not only of oil but of many other commodities. Once the impact of high energy prices had had its effect on the global economy and we started to see the beginning of the downturn, the fundamentals kicked in, and we saw the collapse of not only crude oil prices but metal prices, and even food prices, as people withdrew from commodity index funds.

A number of Members have said that we will come out of the present situation, and that the days of cheap oil will never return. What we must prevent is a recurrence of what we saw in 2008. I think that the only way in which to do that is to ensure proper regulation of vital markets, not just in oil—important though that is—but in metal and other commodities. We need full transparency, not only in relation to commodities traded on the exchanges but in all the over-the-counter deals which are, in effect, unregulated and have a huge impact on the prices of commodities. We also need to return to the situation that existed probably 10 years ago, and had certainly existed since the 1930s, in which position limits were placed on those in the market.

Ten years ago, producers and suppliers of oil were the main players in the exchanges. Perhaps 60 per cent. of trading was carried out by people who had a direct impact; the other 40 per cent. was carried out by those who provided liquidity. Their trading involved speculation, but it was necessary to provide the opportunity to hedge prices on those exchanges. Now the ratio has reversed. The majority of traders do not want to buy a pork belly, a bushel of grain or a barrel of oil. They are there to make money, from their pension funds, their university endowments or their insurance companies. I believe that until we return that ratio to where it was, the risk will remain that we will face yet another speculative spike in the future, and the only way in which to deal with that is through global regulation.

I am very pleased that the Prime Minister is considering all those issues. It is clear that not just the financial sector but the commodity markets need global regulation. I understand that the United States Congress is beginning to consider the matter seriously, and we need to persuade our regulator—the Financial Services Authority, which looks after the ISAs futures market—that it should take it seriously as well. The Treasury Committee, of which I am a member, is looking at the issue, although we currently have other problems on our hands involving the banking crisis. I should like to know what my hon. and learned Friend the Minister thinks about the need for greater regulation of the commodity markets to prevent a repeat of what happened this year.

My second point relates to rural energy customers. I wrote to my hon. and learned Friend enclosing two letters forwarded to me by constituents. Both were customers of Flogas, from which they had bought liquefied petroleum gas. One of the letters, dated 1 October 2008, began

"Dear Customer

Price fix for the winter".

The first constituent was offered a guarantee that the price of his LPG would be increased by 3p per litre, but that it would be fixed until 31 March 2009. Flogas wrote a similar letter to his neighbour on 2 October offering to increase his tariff by not 3p but 5p per litre.

That suggests two things to me. First, on 1 October we had experienced nearly four months—certainly three months—of dramatic falls in the price of oil. LPG is tied directly to the price of oil: it is almost like a by-product of the refining process. Yet the company was telling its customers that despite those three or four months of dramatic falls, its price would increase and would be fixed until 31 March next year. I think that that is outrageous. It is clear that no proper market is operating in the LPG sector in rural areas. Furthermore, those two neighbours knew each other and were able to determine that they were being charged different tariffs even though they lived 100 yd apart.

My hon. and learned Friend the Minister gave me an excellent response on what is being done to try to increase competition, not only in the LPG market but in the heating oil market. Heating oil is actually kerosene; it is jet fuel, in effect. It is used to heat a very large number of rural homes that cannot get a connection to the gas main. I am certain that British Airways and other airlines have seen dramatic reductions in the price of jet fuel—that is, kerosene—recently, but I am also pretty certain that domestic users of kerosene have seen nowhere near that level of reduction.

This comes back to the suppliers. I am not talking about the relatively small businesses that deliver the kerosene. I mean the larger suppliers—the energy companies and the oil companies. I do not believe that there is genuine competition in relation to the delivery of heating oil and LPG. Many of the distribution companies that I have spoken to tell me that the price to the consumer for both those products goes up immediately when the price of crude goes up, but that there is an awfully long time lag before any reductions are passed on. That should not be the case. I can understand it happening in the gas and electricity supply markets, but not in the LPG and heating oil markets. The price should fall as quickly as it rises, if it is keeping pace with the price of crude oil. Ofgem—or perhaps the Department itself—needs to look into what can be done to achieve proper competition in the supply of heating oil and LPG in rural areas.

Peter Luff: The hon. Gentleman is making an important point. Some 5 million households are not on the gas network, and this is an important issue for many of our constituents. The trouble is that, in this respect, Ofgem does not have powers. I still think that the Government are wrong to imagine that the Office of Fair Trading can handle the matter, and I believe that Ofgem needs more powers in this regard.

Nick Ainger: I totally agree. There is blatant abuse going on, and there is no genuine competition in either of those so-called markets. Members who represent rural constituencies have heard about real problems that have been encountered. For example, many elderly people retire or move to a rural area, perhaps to a home that is not particularly fuel efficient—although we can help them with that—only to find that their outgoings are being hammered. The price can depend on the time of year at which they fill their tank up, which is also an abuse of the market. An 80-year-old man came to my constituency surgery on Saturday and told me that he was spending 20 per cent. of his income on heating oil, which I found quite incredible. There is a real issue that needs to be addressed.

I support other Members' comments about the need for far more Government action to tackle fuel poverty. The main reason for 2.5 million people being classified as in fuel poverty over the past two years is undoubtedly the huge hike in the unit cost of energy, and the Government are absolutely right to make significant investments to enable people to have more efficient systems, to start to tackle the problem of prepayment meters, and to make investments so that homes can be much warmer. In the short term, however, we will definitely fail to reach our 2010 energy target unless we can get the energy companies to pass on the substantial reductions in the wholesale cost of energy. I look forward to hearing my hon. and learned Friend's comments on this later.

7.24 pm

Mr. Mike Weir (Angus) (SNP): The evidence session that the Committee heard when we were preparing this report was among the most interesting that I have been involved in, covering a huge number of issues, from the markets and the impact on industry to fuel poverty. The Chairman, the hon. Member for Mid-Worcestershire (Peter Luff), gave the House a very good resumé of those issues, so I will not dwell on them further. I agree with everything that he said, apart from his enthusiasm for nuclear power, which I do not share. In the time available to me, I would like to comment on a few of the recommendations in the report.

Clearly, the most pressing issues for households up and down the country are the price of energy and fuel poverty. The complex nature of this problem is reflected in the number of recommendations on those subjects. Some of those recommendations have already produced action, and I am now going to break the habit of a lifetime by saying something almost nice about Ofgem. Its action was prompted by the Committee's inquiry, and I share the Chairman's reservations about its needing to be prompted in that way. None the less, the report has produced some welcome changes, even if they are somewhat overdue.

However, I would urge the Government, Ofgem and, indeed, the companies to go much further, particularly in relation to prepayment meters. I agree with what many others have said about the difficulties that they present. Under the current proposals, there would still be an opportunity for companies to charge more for such meters, due to what they call opportunity costs—namely, the fact that the meters cost more to service. There might be something in that, but I do not believe that we should accept that argument in respect of people who are on such meters because they are fuel poor. I deliberately make that point because not everybody who is on a prepayment meter is actually fuel poor. We should bear that in mind.

For the fuel poor, prepayment meters are an example of people being penalised for paying in advance in cash. They are often used when people are in arrears and they bring with them the serious worry—for me, at least—that people will simply self-disconnect when they cannot afford the tokens to feed the meter. We collected data on disconnections relating to other methods of payment to the energy companies, but there are no reliable data on the number of people who simply self-disconnect by not feeding their meter. That can present as many problems as there are for people who are disconnected for other reasons, and they might be disconnected for quite long periods of time because they are unable to afford to feed their meter. That risk needs to be tackled, because if we do not know that it is happening, we cannot take action to help people in that position.

Steve Webb: That is absolutely right. I have asked the energy companies to look into this, and they have told me that they do not know how to do it. The answer, however, is smart meters, and the sooner we can get on with installing them, the sooner we will know what people are consuming.

Mr. Weir: Indeed, and smart meters will also need to be interchangeable, so that everyone will know what the meter does and so that it can be easily looked at. It might also be possible to track instances of meters not being fed.

[Mr. Weir]

The report also tackles the difficult subject of social tariffs. I would particularly like to draw the House's attention to recommendation 38, which states in part:

"We do not accept the view that a mandatory and comprehensible definition of what constitutes a social tariff would create a 'race to the bottom' for all suppliers—rather, it would provide a minimum level above which they can compete, not only on tariffs, but also on other schemes to assist the fuel-poor."

I strongly endorse that recommendation, and I cannot for the life of me understand why the Government and the companies are so against the idea of a mandatory, statutory minimum tariff. The current tariffs are contradictory and confusing and it is difficult to determine what is in fact the best social tariff.

Nothing sums up the situation so eloquently as the disputes among the energy companies as to which offers the best social tariff. British Gas claims that it does, as it has more customers on the tariff, but I would like to quote from a briefing from Scottish and Southern Energy that I received in the past few days. It says:

"The Essentials Tariff (the BG social tariff used in their standard analysis) is set at their direct debit level. This is particularly significant as SSE's standard direct debit tariff has actually been cheaper than the British Gas so-called 'social' tariff. Therefore, British Gas Essentials Tariff is not actually helping fuel poverty; it is just helping some of their poorer customers get a slightly better deal than some of their other customers—all within the generally higher British Gas pricing policy. The SSE approach, on the other hand, discounts heavily from our, already low, baseline."

Make of that what you will, Madam Deputy Speaker, but what is the consumer supposed to make of it? How is the consumer able to determine what is actually the best tariff? Even at this late stage, I urge the Minister to look again at the issue of mandatory social tariffs. Let us have a clear, transparent system so that people know what they are getting.

That brings me on to question of switching. It has already been noted that a lot of people switch suppliers, but end up worse off—further evidence of the lack of clarity about pricing. I was very pleased yesterday when Scottish Power announced an improved tariff for vulnerable customers aged over 60 who receive benefits, but I make the point again that that does nothing for many vulnerable customers who are not over 60. Our Committee made a clear recommendation for more to be done to target the fuel poor who are not pensioners, particularly the disabled. We returned to that issue in our supplementary report, which was issued the other day and in which we said:

"We also reiterate our frequent recommendation"—

it is not just us, as the predecessor Committee also made the same point—

"that much more attention must be paid to groups in fuel poverty other than pensioners, particularly disabled people under 60",

because they suffer just as much as many pensioners. Something must be done to tackle that problem.

To mention a point that the hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) touched on, I was particularly pleased with the recommendation on off-network consumers—an issue that I have pursued for some time, including through the hearings that are mentioned in the report. It became clear that neither of the consumer bodies—Energywatch previously or Ofgem now—had any remit whatever in that respect. These people had simply fallen off the radar of fuel poverty.

Many of my constituents in rural Angus do not have access to the gas network—and, with the best will in the world, they never will. There are good renewable energy schemes that can help, but at the moment many of my constituents use LPG or home fuel oil. I am pleased that, following our recommendation, Consumer Focus has said that it will take this issue into account, which is progress. I nevertheless agree with both the hon. Members for Carmarthen, West and South Pembrokeshire and for Mid-Worcestershire that Ofgem needs to be involved as well. The point that the hon. Member for Carmarthen, West and South Pembrokeshire made about LPG also applies to coal and fuel oil prices.

Let me ask the Minister to give consideration to this issue: we always pay the winter fuel allowance in the winter, but it may well be cheaper for someone to fill up a tank or buy coal in the summer months. I would like the Minister to reflect on whether, in certain circumstances, the winter fuel allowance could be paid to some people earlier in the year to allow them to take advantage of the lower prices. I appreciate the difficulties that that may cause, but it is worth considering, as it would help some people. There is no magic bullet to deal with fuel poverty and, as the report states, there are many other things to be done to combat it—home insulation, for example. Many homes need to be retro-fitted with good insulation to save energy.

The Scottish Government have launched an ambitious programme to help tackle fuel poverty and, unlike with Warm Front in England, they have maintained spend on fuel poverty programmes through the year. They have allocated an additional £10 million for the central heating programme, which is about installing such heating in vulnerable homes, and for giving more help to fuel-poor households. A record number of central heating installations were completed last year. The Scottish Government have also proposed increased help beyond basic insulation, which is being provided UK-wide, to families on income support with children under five or with disabled children under 16, as well as to pensioners. The Minister should look into extending those measures to other vulnerable groups in the rest of the UK. Those existing programmes reveal the wide range of issues that need to be addressed in tackling fuel poverty. With all that going on, I have to tell the Minister that it is a scandal for the UK Government at this time to slash the budget of the Scottish Government by £1 billion, which is bound to impact on many necessary programmes.

I promised that I would not speak for much more than 10 minutes, so I will start to conclude. The report is not only about fuel poverty and energy prices, but about the security of our future energy supply. The Select Committee Chairman made many of the points that I would make so I will not dwell on the issue, other than to say that when we think about the big six energy companies we have to take into account the fact that we are asking them to do two contradictory things—to reduce prices, but at the same time also to make the huge investments needed for future energy generation of whatever type. The Government need to look further into how to deal with such contradictory priorities. A bankrupt company cannot invest in generation and we need to consider whether the current market provides the best means of meeting those priorities.

The profits of the energy companies were mentioned, so I should like to return to a point I raised in an intervention. Because four of the big six are multinational

companies, it is difficult to ascertain how much profit they are making from generation, how much profit comes from sales and how much of it is actually made in the UK. In some ways, British Gas and Scottish Power and Southern are disadvantaged in that we can see how much profit comes from the UK, but the Government need to look further into the matter, perhaps in tandem with the European Union. We need more clarity and we need real thought about how to get the energy companies to meet the two contradictory objectives—to invest in generation and to deal with climate change as well as with prices, particularly for vulnerable customers.

7.36 pm

Mr. Elliot Morley (Scunthorpe) (Lab): In the remaining time available, I shall ask a couple of questions, as some points in the report will have to be followed up and progress made. Having heard the issues raised in the debate about Ofgem, does the Minister believe that its terms of reference need to be revised in the light of market changes and current pressures? The electricity and gas companies, for example, have asked for an enormous increase in contributions to monthly payments. Is that justified and is Ofgem adequate to protect people from those demands? Although there is no doubt that the deregulation of the market brought about a fall in prices for consumers, is the Minister satisfied that the market is working adequately now—and not just for domestic consumers, who are very important, but for business consumers? I represent a constituency in Scunthorpe that has much energy-intensive industry, so I am concerned to ensure that there is fair competition in respect of energy prices for companies in this country as compared with prices in the rest of Europe.

My final point is about carbon capture and storage, which was mentioned earlier. Yorkshire Forward presented a proposal for a carbon capture pipeline in the south Humber bank, leading to the gas fields and allowing energy-intensive industry to connect to them. I declare an interest here, because the installation of a carbon capture blast furnace in Scunthorpe is under active consideration and having that sort of infrastructure would make the project all the easier. I am very keen to see such new technology implemented in our own country. I believe that this represents one way forward for the low-carbon economy. I understand that, at the European Council, the EU agreed to make a sum of about €6 billion or €7 billion available. Given the existence of that European funding, is the Minister open to thinking again about a bid from Yorkshire Forward, perhaps in partnership with some of the energy-intensive companies in that area, as a means of providing such important infrastructure investment?

7.38 pm

Charles Hendry (Wealden) (Con): I begin by congratulating my hon. Friend the Member for Mid-Worcestershire (Peter Luff) and his Select Committee on its work in preparing these reports. As the Select Committee starts to lose its responsibility for looking into energy matters, these reports will provide a lasting and important testament to the diligence and expertise of its members in studying the energy challenges that our country faces.

The reports have given rise to a thoughtful and constructive debate and I hope that you, Madam Deputy Speaker, will make strenuous representations to the business managers of the House about the fact that so many outstandingly able right hon. and hon. Members who have tremendous expertise have been denied the opportunity to speak in the debate because of the lack of time.

I want to focus on the issues of fuel poverty and this country's future energy supply. Today has been a bad day for consumers. I think that they had hoped for relief from the Ofgem announcement, but they have not received it. That is why this morning's announcement has received a poor response from organisations such as Age Concern, Help the Aged and the National Housing Federation.

Of course we welcome the progress that has been made on prepayment meters and in relation to those who are not on the gas grid, but more is clearly needed. Now that it has been recognised that people in those categories had a bad deal in the past, I hope that the Minister will say whether he will seek compensation for the way in which they lost their income.

There is little here for consumers more generally. We know now that there are probably 5.5 million households in fuel poverty, and every 10 per cent. increase in fuel prices pushes another 400,000 people into fuel poverty. We know that here in the UK energy prices are rising twice as fast as the EU average. We know as well that many people face a raw deal from how the direct debits operate. We also know that this is about not only those who are defined as being fuel-poor—millions of households across the country will struggle to pay their bills this winter. Worst of all, knowing that 25,000 people died last winter because of cold-related illnesses, it is likely that that figure will be higher this year.

We must recognise that more should have been done earlier. In October, we were told by the Secretary of State that he would give the energy companies four weeks to take urgent action. In November, he said that he would give them another four weeks. Today, he is saying that he will think about consulting on having a review to discuss what more should be done if they do not do something now.

The time for action has passed and we should have seen more. We should now be seeing the Government taking action to make excessive profiteering on prepayment meters illegal. There should be legislation to provide social tariffs for vulnerable households. There should be a requirement that the companies from which people get their energy should say on their bills what would be the cheapest tariff. There should be an extension of the Post Office card account to enable those who do not have bank accounts to get the best tariffs available.

We think that the time has come for the Government to ask the Competition Commission to look into how the companies operate. So, while the Government have said that affordability is a priority, it must be a matter of great concern that we have not seen that achieved.

The report also considers how Warm Front works. A couple of weeks ago, I raised that matter with the Prime Minister at Question Time. I received a letter from him today and he says:

"In addition to the £74 million of new money announced on 11 September, a further £100 million of new funding has been made available to Warm Front through the Pre Budget Report... The additional £100 million brings the total spent on Warm Front to over £950 million for the 3 year period to March 2011."

[Charles Hendry]

That is a very partial reply, because he does not say that new money is simply reinstating some of the funds that have been taken out. For those three years, we are still left with a Warm Front budget of £100 million less than originally intended for that period. We need to know whether the Prime Minister is aware of the fact that the budget has been cut, or has he deliberately chosen to hide that? The bald fact is that the Warm Front budget has been cut, but because some of the cut has been restored, he seeks to portray that as an increase.

Moving on to security of supply, which is so crucial to the debate because of its impact on future energy prices, there is recognition across the House that we need investment in new capacity. Paragraph 17 of the Select Committee's first report of the 2008-09 Session puts it well:

"The situation is now very serious and we believe that a simple trust in the market's ability to deliver without any intervention will see us facing an 'energy crunch' in the medium term. The social and economic consequences of such a 'crunch' would be disastrous."

Although I recognise that the Minister is relatively new to his brief, I am afraid that he is showing complacency in how that is being addressed. On the "Today" programme a few weeks ago, he said that the lights would be burning even more brightly in 2015 because there would be 37 per cent. more generating capacity on stream by then. He must be the only person in the country who thinks that is true.

The Minister took the figures from the national grid's seven-year statement, but he knows that they do not take account of planning consents, financing or the cost of commodities, which will determine whether some projects will be built. Crucially, they do not take account of the facilities, particularly in coal and nuclear, which will come off stream, or indeed the variability of wind power: 8 GW of that figure will come from onshore and offshore wind, but he treats wind power as providing the same reliability of supply as would come from gas.

We also need to recognise that this situation is getting worse. The return on equity required by companies, according to Alistair Buchanan, will be 15 per cent. or more, rather than 10 per cent., which it has been. He says as well that there will be significant refinancing needs across the industry.

If we need any more warning, we should heed the words of Wulf Bernotat, chief executive of E.ON, who, writing about Britain in *The Sunday Times*, said:

"You have old nuclear plants, old coal, expensive gas, a need to invest in renewables to reach unrealistic targets, and a slow"

planning

"process. Doesn't that sound like a problem to you? The situation in the UK is more difficult than a number of other countries in Europe, without people fully realising it."

We have to be realistic because many of the things that we are looking to are simply not likely to happen. We have a problem here with people wanting to invest in coal: because of the Government's lacklustre approach to carbon capture and storage, they are questioning whether they can make those investments. We are seeing issues even in gas, with RWE in Pembroke saying that it needs an urgent decision on the 2 GW plant for it to go ahead. If that does not happen in the next few months, the financing of it may change.

Day by day, people in the renewables sector, and particularly those in offshore wind, are saying that they need more funding if their schemes are to come on stream. Centrica has put one of its plants on hold, Shell is pulling out of London Array, and Eclipse and AMEC's wind business have been taken over. RWE says that it needs more support. Projects that looked to be developed in round 2 are struggling, let alone those needed in round 3. They are all saying that the moves towards banded renewables obligation certificates, which we have supported, do not give them enough support.

The UK has 11,000 miles of coastline and should be a natural place to lead the world in marine renewables sector technologies, but the marine renewables deployment fund cannot be accessed. As Ministers have said, that is because they are not at the deployment stage. Well, the rules should be changed and that funding should be got through to the companies, the brilliant schemes and the brilliant academics so that Britain can lead the world in the sector, rather than seeing that lead heading off towards Portugal and elsewhere.

I come finally to the issues of gas storage and the role that it plays. The Minister has again shown disturbing complacency and when he gave evidence to the Select Committee, his own hon. Friends said that he did not seem to recognise what was happening. They pointed out the fact that we have moved from being an energy exporter to being an energy importer, so the need for gas storage is greater than ever.

We have about 4 billion cu m of gas storage and National Grid suggests that we might have 6 billion cu m by 2013. The Minister thinks that we might have 18 billion cu m by 2015. Nobody thinks that that, realistically, will happen because we are finding that projects on the list—the Minister has referred to them—are dropping off it.

Yesterday, National Grid issued a 10-year statement based on the report that the Minister is relying on, but that report says that 2.5 billion cu m of storage capacity will not proceed as planned, 0.7 billion cu m has been rejected in planning in relation to the Saltfleetby application, 1 billion cu m at Portland has been put on hold because of the investment climate, and a proposal for a further 1 billion cu m has been rejected by the Secretary of State, although it is still showing in the figures as something that might happen.

We face formidable energy challenges and that will be the key issue of the winter for people who cannot pay their bills because they simply cannot afford the prices out there. They have been looking urgently for support and they deserve support because these problems are not of their own making, but the Government have delayed. As a result, people face a more challenging time this winter than was necessary.

As the Select Committee report points out, damage has been caused not just to those short-term issues, but to the long-term energy security needs of this country, because the Government have not put in place the steps to secure the necessary investment.

7.49 pm

The Minister of State, Department of Energy and Climate Change (Mr. Mike O'Brien): I join the general congratulation of the Select Committee on its report. The report that it published over the summer was a

professional and impressive piece of work, and I said so when I met the Committee. The latest report on future challenges involves a little bit of crystal-ball gazing, and when gazing into the future it seems to see things a little darkly, but a lot of challenges need to be met, and the Government are determined to meet them.

I can hardly think of any justification for the claim of Government complacency made by the hon. Member for Wealden (Charles Hendry). We have just enacted the biggest legislative programme on energy that has ever been carried through by this Parliament. The Energy Act 2008, the Climate Change Act 2008 and the Planning Act 2008, are a major set of policy initiatives that the Government have undertaken to meet some of the key challenges. The formation of a Department of Energy and Climate Change shows that the Government treat seriously the key challenges of energy sustainability, security of supply and the ensuring of affordability. The Government aim to cut emissions, hit our climate change targets, defend consumers and ensure diversity of supply of energy.

I welcome the breadth of the debate. A number of serious points were made by hon. Members. My hon. Friend the Member for Southampton, Test (Dr. Whitehead) gave an excellent analysis of fuel poverty issues and my hon. Friend the Member for Carmarthen, West and South Pembrokeshire (Nick Ainger), with his knowledge of the oil industry, made interesting points about the commodity market. My right hon. Friend the Member for Scunthorpe (Mr. Morley), with his knowledge of intensive energy users, made some important points, as have other Members, and I hope to deal with some of them.

We need to deal with the key issue of affordability. Consumers must be able to get the energy they need at the lowest sustainable prices possible. Beyond that, they need to be confident that the prices that they pay are fair, and they are not at the moment. Healthy competition and fairness should be the hallmark of our independently regulated energy markets, and if there is any suggestion that consumers are being ripped off, we should not hesitate to take action by rooting out unfair practices. The Government want to ensure that that happens.

Mr. Winnick: Will my hon. and learned Friend give way?

Mr. O'Brien: I will, but before I do so, I say to my hon. Friend that he used very provocative descriptions of the energy companies, and I have one point to make to him. We are looking to those energy companies, their shareholders and their foreign boards to make about £100 billion of investment in the coming months and years, and to refer to them as he did is hardly likely to encourage that investment, much of which will come from abroad.

Mr. Winnick: That may well be. I was going to defend the Government in one respect because until 1997 there was no winter fuel allowance at all. However, despite what my hon. and learned Friend said, everyone knows that the wholesale price of energy has substantially reduced, and he has said so on previous occasions. Are we to take it that the Government will use the utmost pressure to bring prices down, and if the energy companies refuse to do so, what action will the Government take?

Mr. O'Brien: The Government want to ensure that people pay fair prices. As my hon. Friend knows, the energy companies buy much of their gas, the price of which feeds into electricity prices, on the forward market. The energy chief executives tell us that that operates about six months ahead, so the prices that we are paying this winter tend to be based on the ones that they paid a few months ago. Changes, therefore, take time to feed through. That is a problem for us, but when he asks whether we are determined to do everything we can to ensure that we get energy prices down to a fair level, the straight answer is yes, we will.

We will ensure, too, that Ofgem does everything it can. This has been a hard year for householders and businesses, with price rises and dramatic fluctuations in energy costs. Earlier in 2008, there were dramatic price rises in oil, gas and electricity, and more recently, some of the wholesale prices have fallen, and oil prices have fallen from $147 a barrel to about $40 a barrel—it varies. Petrol and diesel prices have now fallen below £1 a litre in most places. This Friday in London, Energy Ministers will meet to discuss the oil market and how to stabilise prices and improve transparency, and I was fascinated to hear what my hon. Friend the Member for Carmarthen, West and South Pembrokeshire had to say. He raised some interesting points about the commodity market, and I would like to look at those in more detail.

I mentioned prices falling, but that cannot be said yet about electricity and gas retail prices. Wholesale prices have fallen, but as I said, it is the forward price that is important. That is starting to go down, and I have met the chief executives and most of the main energy companies in the last week and clearly told them that we want them to bring down prices as soon as possible. They were able to give notice of price rises, and we want some notice of when they are going to bring down prices. We want a greater degree of transparency in the wholesale market because it feeds into the retail market. The pre-Budget report asks Ofgem to provide quarterly reports showing the relationship between wholesale, hedged-wholesale and average retail prices. That will make it clearer whether companies are passing on the benefits of downward price changes or not. It is important that falling wholesale prices are passed on to retail customers, particularly when they are under so many financial pressures.

Alan Simpson: Will the Minister give way?

Mr. O'Brien: I am pressed for time, so if my hon. Friend will forgive me—[HON. MEMBERS: "Oh, go on!"] I will give way.

Alan Simpson: From the discussions that the Minister is having with the energy company chief executives, he will be aware that their profits in the last year have doubled from £2.1 billion to £4.6 billion, while their contributions to fuel poverty have reduced from 2.1 per cent. to 1.2 per cent. The energy company executives whom I have spoken to about fuel poverty targets and obligations on social tariffs have said that they would move on these issues if instructed to, but so far neither Ofgem nor the Government have been willing to issue such instructions. Will the Minister at least consider doing that?

Mr. O'Brien: If my hon. Friend speaks to chief executives, he will find that different ones give very different messages. Some of them favour a statutory or

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agreed basis for the licensed system of social tariffs, and others do not. Some of the energy companies did not have a social tariff, such as Scottish Power last year. The energy companies adopt different policies. I am anxious to ensure that we bring about a more sensible regime on social tariffs, because at the moment it is difficult for those on low incomes to work out who is the best person to go to. People claim to have large discounts, but as the hon. Member for Northavon (Steve Webb) rightly said, some of those with the apparently biggest social tariffs charge the biggest prices. The deduction comes out of such prices and people end up paying more. It is a very complex matter. We have to ensure, however, that the energy companies are not making false profits and that they are not ripping off the consumer, and we intend to do so.

Ofgem has received a lot of criticism, and I understand that this House holds a critical view of Ofgem, and I think that Ofgem now understands that. If it had not before, it will as a result of the debate. I understand it, and I want to ensure that confidence in Ofgem is resumed. It has recently announced that it wants to eradicate unreasonable premiums, and that it will change some of the licensing rules to prevent such premiums from recurring. It has given companies until February to respond on licence changes, and to implement some of the changes in full. It tells us that there have already been £300 million of reductions in prices for consumers, and that a further £200 million need to be made by February.

Ministers have met the main energy companies' CEOs and emphasised our determination to legislate unless they show that they have acted to end discrimination against prepayment meter payers and standard payment customers, as well as to deal with some of the other anomalies that have crept into their pricing programme.

Legislation does not happen overnight in this place, but we are preparing to legislate should we need to do so. A referral to the Competition Commission, as suggested by the Conservatives, is an option, but it would involve a lengthy wait. CC reports can take 12 months to two years, so that would not help customers by February. It is a slow-lane response and it is not a sensible approach at present. Let us see if we can get this done; let us see if we can get some action from the energy companies and make sure that Ofgem keeps the pressure on them—with the hobnailed boots that Alistair Buchanan talked about on the radio this morning. We want to get this done without referring the matter to the CC, which may take two years. Ofgem has clearly said that it wants all these changes to be in place by February and we want that, too. Ofgem wants to get these reasonable results by February, but it also wants to sort out some of the licensing conditions and I want to be very clear on this: we will legislate if Ofgem does not get the changes it needs through.

I am today placing in the House of Commons Library a comparative annual bill for each of the six energy companies based on a departmental analysis of the premiums they are charging for different kinds of payment based around the comparator of dual-use payments. For example, for average annual usage of electricity and gas, the highest annual dual-use bill is £1,240 from British Gas and the lowest appears to be EDF Energy at £1,168. On premiums paid for prepayment meters, British Gas came out the highest again at £158 and EDF was again the lowest at £78.80. On premiums above the cost for dual use on direct debit, customers paying by standard credit—those whom some people, including the Select Committee Chairman, the hon. Member for Mid-Worcestershire (Peter Luff), have indicated are a major issue—are likely to be paying more by between £109 with Scottish Power and £27 with E.ON. These are significant premiums and I want to be sure that they are justifiable. At present I am not entirely sure that they are; Ofgem seems to some extent to be sure, but I want to be sure that we are also happy with the figures.

There are different ways of cutting these figures, and as there is competition they change regularly. When Members look at them, they will be comparing prices as of this week, and in many cases the sums are lower than they were some weeks ago when premiums were higher. However, although some of the companies have changed their prices in the past few weeks, Ofgem is still looking at them to ascertain if they are justifiable. The main justification for the expense of prepayment meters has been that they must be checked regularly. That was certainly true in the past when they were mostly coin meters, but nowadays they are often prepayment cards and the customer pays in advance, which brings a benefit to the company. Although Ofgem seems to some extent to be content with this, I am not convinced. Having seen today's Ofgem announcement, I want to drill down further into the justification for such a premium, which often falls on low-income people, and I have asked officials in the Department and Ofgem to look at this as a matter of urgency.

I am conscious of the time, but I have not had an opportunity to deal with some of the key issues raised. We want to ensure that direct debit payments are looked at properly. I have some concerns and I have raised them with the chairman of each of the companies I have met. I have said I want them to justify some of the changes.

In terms of our keeping the lights on, there is another energy gap—that which is in Opposition policy. I will not go into that now; we can leave for another day discussion of their failure to support the renewables obligation, and their opposition to coal-fired power stations, planning legislation and a number of international initiatives. Before they start criticising us for an energy gap, let me say that as far as we are concerned there are 10 GW of consents in process and 7.5 GW in planning. Even if the energy crunch does create some delays—we are looking at this with concern and I say to the Select Committee Chairman that since I gave evidence we have had some indications from some chairmen that a tightness is now developing in the market—we believe that there will continue to be investment. We are getting reassurances from the chairmen on that, too.

On gas storage, the National Grid has as of yesterday updated its figures; its 2008 report indicates there is likely to be substantial new storage. I can go through some of the figures, but I am conscious of the time: 4.4 billion cu m existing; 1 billion cu m in construction; 3.3 billion cu m with planning consent; 1 billion cu m awaiting planning consent; and 12 billion cu m proposed, but planning not yet applied for. We therefore have quite a lot of interest in developing our gas storage.

I would want to test some of the points raised by the Opposition spokesman if I had the time. The Government are committed to dealing with fuel poverty, to ensuring we keep the lights on, and to ensuring we have sufficient capacity to do so. The Government have every intention of delivering on that.

Question deferred (Standing Order No. 54(4)).

8.6 pm

Andrew Mackinlay (Thurrock) (Lab): On a point of order, Mr. Deputy Speaker. In the past 30 minutes the Metropolitan police have issued a statement as a result of their receiving the report of the Chief Constable of the British Transport police into the matter relating to the hon. Member for Ashford (Damian Green). However, I have tried to get hold of a copy of the report, but they say they are not publishing it. I then asked for a copy of their statement to be e-mailed to me, and by the time I came to the Chamber that had still not been forthcoming. Clearly, it is essential to Members that we have at least a copy of their statement, bearing in mind the clock is ticking and the recess is approaching, so time is short for Mr. Speaker to consider applications or submissions on whether this is a matter of privilege. Between now and 10 o'clock would it be possible for the Speaker's Office or the Clerk, perhaps, to use their good offices of leverage on the Metropolitan police to cede two things, the first of which is that there is available in the Vote Office or on the internet a copy of the Metropolitan police statement that is being issued to journalists as we speak? We need to have this tonight, not tomorrow. It is a matter of discourtesy that it is not being made available. I ask if there is any way in which you, Mr. Deputy Speaker, can help in this matter because we should have it available now.

Mr. William Cash (Stone) (Con): Further to that point of order, Mr. Deputy Speaker. I, too, am aware of the circumstances that the hon. Gentleman has just raised. At 7.45 pm I wrote to the Speaker because I believe this matter pertains to the privileges of this House, and the complaint I have issued in respect of the matter concerning my hon. Friend the Member for Ashford (Damian Green) is a matter of privilege. I, too, endorse the idea that we should ask for and/or demand a copy of this report forthwith and that it should be placed in the Library, and I have been asking the Library—as has the hon. Gentleman—for the last half hour to make provision for it to be supplied in the Vote Office or the Library. First, however, it seems to me that it might be appropriate for the Speaker to make inquiries and to insist it is made available to us because of the short time before the House rises.

Mr. Deputy Speaker (Sir Michael Lord): I say to both hon. Gentlemen that I have no knowledge of the matter they have raised. Clearly, this is an important issue and the House will want to study the statement. Both hon. Gentlemen can make their inquiries in the usual way, and their points of order are clearly on the record. Front Benchers of both main parties are present, so I trust the usual channels will take note of what they say.

DEPARTMENT OF HEALTH

Dental Services

[Relevant Documents: Fifth Report from the Health Committee, Session 2007-08, HC 289, on Dental services, the Government response, Cm 7470, and the Department of Health Departmental Report 2008, Cm 7393.]

Motion made, and Question proposed,

That, for the year ending with 31 March 2010, for expenditure by the Department of Health—

(1) resources, not exceeding £33,990,717,000, be authorised, on account, for use as set out in HC 1039 of Session 2007-08, and

(2) a sum, not exceeding £33,474,467,000, be granted to Her Majesty out of the Consolidated Fund, on account, to meet the costs as so set out.—*(Mr. Frank Roy.)*

8.9 pm

Mr. Kevin Barron (Rother Valley) (Lab): It might be helpful if I give some background to the report that we are now going to debate—sadly for somewhat less than two hours, as a result of the Government statements this afternoon. The Select Committee on Health published its fifth report of 2007-08, on dental services, on 2 July. We took evidence from a range of witnesses, including dentist campaign groups, primary care trusts, commissioners of dental services, public dental health experts, the British Dental Association, the Dental Practitioners Association and the British Orthodontic Society, as well as patient groups and practising dentists. The Under-Secretary of State for Health, my hon. Friend the Member for Brentford and Isleworth (Ann Keen), who sits on the Front Bench tonight, also gave evidence, as did the chief dental officer.

One of the Committee's findings was that the nation's oral health has improved significantly since the establishment of the national health service general dental service or GDS in 1948. That is not surprising, given that most other things in society have improved since then. As recently as 1968, the proportion of the adult population in England and Wales who were edentate was 37 per cent. The latest figure is estimated to be about 6 per cent, so there has clearly been a massive improvement in dental health in recent years.

Nevertheless, by the 1990s there was a powerful case for reform of the GDS contract. It was widely agreed that although the provision of NHS dentistry was good in some areas of the country, overall it was patchy. Moreover, the payment system lacked sufficient incentives for the provision of preventive care and advice. In addition, the Department argued that there were too many incentives to provide complex treatments. In April 2006, the Department reformed the GDS contract, making a number of far-reaching changes: primary care trusts were given the power to commission dental services; the patient charging system was simplified; and under the terms of a new dental contact, dentists were remunerated according to the number of units of dental activity—UDAs—completed. The Department issued a number of criteria for success: patient experience; clinical quality; NHS commissioning and improving dentists' working lives.

Our inquiry found evidence that the new contract had failed to meet the Department's criteria for success in a number of areas. However, the Committee argued that with more good will from dentists and the Department,

[Mr. Kevin Barron]

the contract could be made to work. The Committee's main findings were that access to NHS dentistry was not as good as it was said to be, and that the total number of dentists working for the NHS and the number of treatments they provided had fallen slightly since 2006. There are many reasons why dentists moved away from the NHS, one of which was the income available in our society now. This move happened in the parts of the United Kingdom—it certainly happened in England—where one would have thought that there were bigger incomes and more better-off people compared with other parts. In such areas, dentists on some occasions moved wholly into the private sector.

The total number of patients seen by NHS dentists fell by some 900,000 between December 2005 and December 2007. The latest figures for the period from April 2006 to April 2008 show a decline of some 1 million in the number of patients seen. It is possible that patients have good dental health, so it is not necessary for them to be seen. I know that call-backs for people with good dental health are few and far between compared with a few years ago, when there were regular call-backs.

The Committee also found that PCTs had performed patchily in how they commission services. For example, whereas in some areas, such as London, access was good, in others, such as Devon and Kent, it remained difficult for patients to find an NHS dentist.

Mr. Oliver Letwin (West Dorset) (Con): My constituency borders Devon, and I must report to the right hon. Gentleman that we find exactly the problem that he is describing: a shortage in the availability of NHS dentists. Does he agree that, in many cases, even if the area is relatively well off, there will be people within it who are not and who are suffering?

Mr. Barron: That is true. We took evidence, which was more than anecdotal, suggesting that some dentists who wanted to move into the private sector were saying to people, "We will take your children as NHS patients, but only as long as you take out private insurance on your cover." Hon. Members will see what our report said about that, but I must say that not many people defended that practice—I include the professional organisations in that comment. However, unfortunately the practice still goes on.

In addition, the Committee found that strategic health authorities were poor at managing PCTs and gave a dentistry a low priority. We also found that the number of complex treatments, such as extractions and root canal work, has fallen under the new contract by 50 per cent. That was seen to be a consequence of the contract not providing dentists with sufficient incentives to carry out this type of work. That is one of the areas about which we were concerned. I have some views about it, given what the Department has announced in the past few days that it will do to address the situation, as we hope it will.

The Committee found that the new dental contract had also failed to provide dentists with sufficient financial incentives to provide preventive advice, and that the system by which dentists are paid according to the amount of UDAs delivered should be changed. The Department should consider introducing payments based on quality and outcomes frameworks, such as we have in parts—although not all—of general practitioner practice. In those areas, people who have long-term conditions are being managed on the basis that GPs are providing such treatment. We believe that this is something that should be looked at.

The Government's response to our report was published in October 2008. It accepted some of the Committee's criticisms, but maintained that the access to NHS dental services would improve over time. The Government response stated that although access was uneven, it was improving and would improve further once the contract had bedded in, and that the Department would investigate whether the number of complex treatments had fallen. The evidence was a bit more than anecdotal. We need to consider issues such as what happens if someone loses one tooth. Although a better way of proceeding would be to put in a crown or something substantial, under the new system dentists could just put in a palate with one tooth on it. That would suffice to get the UDA, and thus the income, into the practice. When we heard such information, we had grave worries about whether the issue of quality was being addressed at all in many senses.

Dr. Andrew Murrison (Westbury) (Con): Does the right hon. Gentleman accept that because most dentists are professionals, they will try to do the right thing and provide a quality service? Does he also accept that a system in which an extraction is funded in the same way as complex root canal work, which can take many sessions to carry out properly, is extremely difficult and heavy on consumables, is unlikely to encourage dentists to aspire to quality dentistry, but far more likely to encourage them to do the bare minimum, which is not conducive to good oral health or dentition?

Mr. Barron: Yes, I do agree. What we have heard in the past few weeks about what is going to happen to NHS dentistry, however, abates a little bit my fears and I suspect those of other members of the Committee.

Norman Lamb (North Norfolk) (LD): To follow up on the previous intervention, will the right hon. Gentleman also confirm that the statistics appear to demonstrate what was just said—that the number of root canal fillings being carried out has decreased significantly and the number of extractions had increased?

Mr. Barron: I am not sure about the extractions side, but I agree in respect of the more complicated work; there was evidence of a shift in that regard, and we could assume that the new contract was what created that.

David Taylor (North-West Leicestershire) (Lab/Co-op): Further to the point made by the hon. Member for Westbury (Dr. Murrison), did the Committee find that the width of the UDA banding—I am told that one extraction counts for the same as four or five—was a disincentive to some dentists to enrol patients who needed substantial work to get them to the start line? Was that one of the reasons for people finding it difficult to get an NHS dentist?

Mr. Barron: That is the case, and we took evidence to that effect. Some of the more complicated cases were shoved into the acute sector—into hospitals—which was wholly wrong. That is not where such treatment should take place.

The Government also agreed that the historical means of funding PCTs should change and that funding should be based on the needs of the population. That is one of the great difficulties, because the new contract wanted to improve access to NHS dentistry services, but it also had to ensure that we did not lose any more dentists to the private sector. We found that the funding for the activity in question was historically based where NHS activity had been high—and quite right, too. My constituency and the surrounding area are well served, and I would not want to see that diminish. That may sound selfish, but in other parts of the country dentists have walked away from the NHS and we have an obligation to look after the interests not only of the population, but of the dentists who did not walk away but continued to provide a service under the NHS banner.

Bob Spink (Castle Point) (Ind): In my constituency dentists walked away from the NHS. The right hon. Gentleman will welcome the 11 per cent. increase that the Government have put in, but can we be confident that the new formula will distribute that money on the basis of unmet need on this occasion? The key problem with the contract was that the basis of allocation by the PCTs was a historic and restricted view of previous spending.

Mr. Barron: That is precisely the area in which the Government agreed with the Committee. The contract had to be historic, because we had to defend existing NHS dentistry. The question whether that funding was based on the needs of the population is one of the most difficult when it comes to expenditure on the NHS—I have in mind the debate on improving primary health care. The question is where the disease burdens lie, and answering it is still a problem.

Mr. Peter Bone (Wellingborough) (Con): It appeared to me from the evidence that we received that dentists did not walk away, but reluctantly left the NHS. They felt that they were forced to leave the NHS because of the contracts.

Mr. Barron: That is not my reading of the situation. Dentists walked away in areas of greater income. We also heard about offers to keep children on as NHS patients provided that the parents took up private insurance. I thought that that was wrong, and the Committee commented on it, but it was part of the same problem. Money gives people the option to make different decisions. My personal view is that in some parts of the country—even in south Yorkshire—dentists decided to walk away from the NHS because they felt that enough people had enough income to sustain private insurance.

Mr. David Drew (Stroud) (Lab/Co-op): My right hon. Friend describes the situation in my constituency. In the south, we have nothing but NHS dentists. They make the contract work, they think that the rewards are perfectly satisfactory and they are great supporters of the NHS. In the town of Stroud and its immediate environs, almost all the dentists are now private. In effect, there are two systems and it is as if the Berlin wall exists between them. Occasionally, people can cross over into the other system, but private dentists do not seem to want to come back into the NHS. If there is a magic bullet that will change that, I hope that someone will tell me, because I would love to get them back.

Mr. Barron: My hon. Friend makes his case.

Norman Lamb: Will the right hon. Gentleman give way?

Mr. Barron: I meant to be very brief, but I will give way.

Norman Lamb: I am very grateful. The right hon. Gentleman argues that it is mostly in wealthier areas that dentists are leaving the NHS, but in rural Norfolk, where we have a low-wage economy, 20 per cent. of dentists left the NHS on the introduction of the new contract. Does he agree that in surveys dentists have expressed overwhelmingly negative views about the contract? The contract as a whole, and the bureaucracy involved, has driven many dentists away, as they believe that they can make an income in the private sector.

Mr. Barron: I would not disagree with that point, but over the past 15 years or more improvement in services in the NHS—be it in dentistry, GP care or hospitals—has been most successful if the professions have had ownership of it. In 1992, when the first new dentistry contract was introduced, large parts of the profession walked away from it and there were divisions in the representative bodies. It is my personal view—it is not articulated in this way in the report—that the new contract, like the 1992 contract, isolated the profession, to the disservice of dentistry in this country. When I said that at the press conference to launch the report, there were nods from some of the representatives of the dentistry profession, although in the press the next day they were reported as attacking the new contract and saying that it was all wrong. However, that is life, and we have all been there.

Charlotte Atkins (Staffordshire, Moorlands) (Lab): My right hon. Friend makes the important point that many dentists walked away from the NHS long before the 2006 contract was introduced. Many towns were NHS-dentist deserts for many years because the PCT had no way of ensuring that NHS dentistry was provided. The dentists could decide, on their own whim, how much NHS work they did and how much private work.

Mr. Barron: I agree. I do not think for one minute that the lack of NHS dentistry is just to do with the new contract. It was happening for many years before that, and in my personal view the lack of professional leadership was one of the main issues. Dentists were not engaged in the process. When we considered NHS charges, I asked a representative of one of the professional bodies what effect the new contract had had, and I cannot remember the exact response but it was along the lines of "We pass comment on it from time to time." That is not the type of engagement that was envisaged. It is a great pity that we have lost professional leadership at that level, in terms of negotiating contracts for dentistry inside the NHS.

Mike Penning (Hemel Hempstead) (Con): The professional bodies can defend themselves, but one of the reasons for that response is that they felt that the decision was imposed on them. It was not piloted, and the evidence from the previous pilots was ignored. If it had not been imposed on them, they might have stayed around the table to discuss a better contract, but it was imposed without their agreement.

Mr. Barron: Yes, but it was also imposed because they were not engaged in the process. In all the subsequent contracts, such as the hospital doctor contracts or the GP contracts, we have seen what some would call good trade union leadership in the negotiations. I would call it good trade union leadership—it is what I used to do before I came here as a politician—and my reaction is "Well done." That is what people should do from that side of the table. There has been a lack of such leadership in dentistry, not just in the 2006 contract but for a substantial number of years before that, too.

The Department also said that it would reconsider the unit of dental activity payment system to see whether it could also include quality of treatment. It did not rule out our suggestion of a quality and outcomes framework for style indicators in dentistry. Members will know that an announcement was made about that last Friday. The chief executive of the NHS was giving evidence to the Health Committee on Thursday morning and we asked him a question about dentistry. He replied, "Oh, we are about to make an announcement." I said, "Great, you normally make an announcement before you come to give evidence to us or before a debate." To be fair to my hon. Friend the Minister, the Government said in their response to our recommendation 41 that they would review NHS dentistry. Indeed, on 11 December the Secretary of State announced a change to the Department's line that the reforms to the contract were working and that over time they would deliver improved access. Those are my words, not those of the Department, but I think that there has been a slight change of thinking. The Secretary of State acknowledged that access to NHS dentists remained a problem in many areas of the country and announced the review of the dental contract, which was already contained in the Government's response to the Committee in October.

The review will be led by Professor Jimmy Steele, who chairs oral health services research at the school of dental sciences in Newcastle. I alluded earlier to the people at our press conference. One of them, Susie Sanderson, who is the executive board chairman of the British Dental Association and who gave evidence to the Committee during our inquiry, said last week:

"The BDA is pleased to see the long overdue announcement of a review of NHS dentistry in England. The announcement recognises the significant problems patients and dentists face and places the Department of Health on a path to addressing those problems."

I am pleased that the Government have announced that review and will, I hope, address the issues brought up in our report. One of the key aims of the review, contained in the second bullet point in the Secretary of State's press release, is to:

"Recommend how the Government can best address the issues raised in the Health Select Committee's 2008 report on dentistry including the suggestion that more treatment bands are introduced."

That referred to the system of three treatment bands. Under the old contract we had 300 or 400 different treatment bands, and I am not sure that we would want to go back to that, but we took evidence that suggested that introducing a few more bands would make the system a lot fairer than it was.

Mr. Letwin: The Chairman of the Committee is being very generous with his time. Does he envisage that the change to the quality and outcomes framework will somehow enable dentists in the NHS to provide more preventive care despite a system based on units of dental activity?

Mr. Barron: Yes, I would hope that it would. That was one of our major criticisms. It was said by my hon. Friend the Minister's predecessor that the new contract was about prevention. We tried hard to find out whether it was and my personal conclusion was that it was not. In this day and age of public health there are wider issues in relation to dental health and we believe that the contract did not place sufficient emphasis on prevention. Its importance should be recognised. In my view, the advice that health professionals give people should be measured and recognised.

Sandra Gidley (Romsey) (LD): It is probably fair to mention that the chief dental officer said that an element of preventive funding was included in the single UDA, but the evidence we took from dentists suggested that so much was included in the UDA that there simply was not time to do the preventive stuff as well as treating the patient.

Mr. Barron: The inclusion of more bands for the UDAs might be a way of addressing that problem. The smaller bands, which might not get as much money into the practice, would tackle that issue.

I hope that the review will deal with that. We should not prejudge matters, but the Health Committee will be looking at the outcome of the review to make sure that a preventive agenda is put firmly in place, and that the people who carry it out are properly compensated.

There is one other matter that I want to touch on before I sit down. The review talks about identifying over the next five years how

"developments in workforce planning, training and regulation can best support the provision of high-quality dental services and enhance the working lives of dental professionals.".

In our report, we talked about vocational training and recommended that the fact that some dentists take on students should be recognised. My hon. Friend the Minister attended the session at which the chief dental office gave evidence, and she may remember that he spoke about what is happening in south Yorkshire and about the links with the Sheffield university dental school.

By pure coincidence, I went last Friday to a practice in the seat represented by my hon. Friend the Member for Sheffield, Hillsborough (Ms Smith). I was there for the official opening of an outreach training surgery in a village called High Green. The dentist who runs the surgery also runs one in my constituency, and it so happens that, as a working dentist, he gave evidence to the Committee about the new contract.

We asked the chief dental officer about what was happening with the outreach, on-the-job training of dentists. In answer to question 766 in evidence 98, he said:

"With undergraduate education we have examples of outreach teaching in Sheffield; we have visited two practices in Sheffield where they are working with the PCT and the dental school and a part of their contract is to provide outreach teaching and does not have to be monitored by UDAs."

My understanding was that the payment of UDAs to such practices was reimbursed by having the students get experience. In other words, the practices get paid for

having students on an outreach programme by negotiating more UDAs. If one measures UDAs according to how many patients are getting treatment and then finds that some are being used for student training purposes, the result will be that incorrect figures will be produced. It is not a massive problem, but it is not the best way to proceed.

I asked the chief dental officer whether he thought that that was a right and proper way of reimbursing a dental practice for having students, and he answered:

"I do not think undergraduate training should be directly linked to UDAs".

As I said, I was at the High Green surgery last Friday to do the official opening of the outreach training surgeries there. The two principal dentists there are Michael and Margaret Naylor, and they said:

"We strongly believe in the provision of good quality dentistry within the NHS and we welcomed this opportunity to have students working within the practice to whom we could pass on our knowledge and enthusiasm and to give the students a window of experience of working within a busy NHS practice."

One of the students, Rachel Ingle, said:

"I found my confidence increased hugely as a result of my experiences and I feel better prepared to start work as a dentist."

It was a big gathering, and I asked the commissioners how the outreach programme was being paid for, and how the practice was being rewarded for having the students. The High Green practice takes students from the dental school on six-week work placements, and I was told that it was normal for one dentist to have four students. The process takes time and, although the work involved is obviously not massively complicated, the students do spend time with the dentists who are training them. Inevitably, that slows down the amount of activity that takes place, but the same is true for trainee doctors and surgeons under close supervision in hospitals, where students are obviously not asked to carry out important work. When I spoke to the commissioners, they—not the dentists concerned—said, "Things are still the same." They said that they were looking into negotiating UDAs, so that they could reward the practice for giving vocational training to students from Sheffield university's school of clinical dentistry.

To conclude, as I said earlier, Michael and Margaret Naylor have a practice in my constituency, quite close to my constituency office in the village of Dinnington. I am an NHS patient there. As I said to the chief dental officer, next door to the dentist's surgery there is a pharmacy, and next door to that is a doctor's surgery, run by four or five partners. That doctor's surgery gets capital allowances, and does not have to negotiate in the way that dentists do. It is a lot more engaged in building up NHS work than dentists are. I understand that dentists can move away from the NHS; we have heard evidence of that. However, there is something wrong if the only way in which income can go into an NHS practice is through UDAs, or what we had before them. That is how I understand the situation; my hon. Friend the Minister may know something different. Dentists do not have the type of capitation fees, or whatever we call them, that are in place in general practice.

If we are genuinely to look at improving national health service dentistry and to review it, it needs to be reviewed in a comprehensive way that takes into account many of the issues that I mentioned, and not just vocational training for dentists, although that is important. People will be aware that since the Government have been in office, two new dental schools have opened in the United Kingdom. Vocational training is an important part of getting good dentists working in our health care system. That can only be done if the work is rewarded in a sensible way, and if the reward does not have to be negotiated in the way that I am led to believe it is negotiated at the moment.

8.42 pm

Norman Lamb (North Norfolk) (LD): I start by thanking the Chairman of the Select Committee, the right hon. Member for Rother Valley (Mr. Barron), for a very fair summary of the Select Committee's conclusions and recommendations. The Committee's conclusions on how the contract was operated were pretty damning. In paragraph 26, it said:

"The Department asked for the contract to be assessed according to its own criteria for success: patient experience; clinical quality; PCT commissioning; and dentists' working lives. We conclude that the contract is in fact so far failing to improve dental services measured by any of the criteria."

That is a pretty damning conclusion.

The review announced last week, which, as the Select Committee Chairman fairly said, was mentioned in the Government's response back in October, seems to be an admission of failure by the Government. For far too long, there has been a sense of denial by the Government that there was any problem with the contract. Back in February, the Secretary of State said:

"Access...is getting better all the time."—[*Official Report*, 5 February 2008; Vol. 471, c. 772.]

In June, he said:

"'It's getting better all the time', to quote a line from a track on 'Sgt. Pepper'."—[*Official Report*, 17 June 2008; Vol. 477, c. 801.]

The Parliamentary Under-Secretary of State for Health (Ann Keen): It is.

Norman Lamb: I hear the Under-Secretary of say that that is true and she repeated the mantra at Health questions today, when she said that access was improving. However, all the evidence points in exactly the opposite direction. I fail to understand how she can continue to assert that access is improving.

I want briefly to highlight some of the failings of the contract that the Health Committee identified, and to refer to the principles that should be applied when we review how the contract works and come up with a better way forward. First, as was highlighted by the Select Committee, the contract was imposed without being trialled. Rather like the Medical Training Application Service—the basis for recruiting junior doctors to specialties—the contracts were imposed by the Government. The right hon. Member for Rother Valley was absolutely right to suggest that we need engagement and ownership by the professionals if we are to ensure that reforms to our health system work to the greatest effect. Without ownership—and that is what happens if we impose a system—the system is unlikely to work effectively.

Access, despite what the Minister continues to say, is worse: 1 million fewer adults and 200,000 fewer children have had access to NHS dentistry since the reforms

[Norman Lamb]

came into effect in April 2006. Before the reforms, the Government claimed that 2 million patients wanted access to NHS dentistry, but they could not get it. On the assumption that those 2 million remain, together with an extra 1.2 million people, there are now well over 3 million people, on the Government's own figures, who want access to NHS dentistry but who are not getting it. As the previous Prime Minister said, the purpose of the new contract was to provide "access for all" who wanted it to NHS dentistry, but it was also to get dentists off the treadmill. The right hon. Member for Rother Valley was absolutely right: the previous contract was not a success, either.

We heard an intervention from the hon. Member for Staffordshire, Moorlands (Charlotte Atkins), in which she made a fair point, and I am certainly not arguing for a return to a better yesterday—the old contract failed miserably in many respects. The new contract, however, continues the failure on access.

Dr. Murrison: The hon. Gentleman is right that the old contract had its faults—most contracts do. However, does he recall the personal dental services pilots that worked quite well and showed great promise? The Government, however, decided to jettison them largely, I suspect, for political reasons. Does he not regret the fact that lessons were not learned from those pilots?

Norman Lamb: I absolutely agree. The failure to pilot schemes or to learn the lessons from pilots that have taken place is desperately frustrating. A system that was introduced without being trialled, in a big-bang approach across the country, was destined to fail. The hon. Gentleman is right to say that the Government should have learned the lessons from those encouraging pilots, which were completely ignored.

The Government's second assertion when the new contract was introduced was that it would get dentists off the treadmill. However, it appears to have reinforced the treadmill that many dentists believe they are on. We have heard that there is a disincentive to do complex work leading, dentists have told me, to a loss of skills. If they do not do that complex work, they become less skilled, which is worrying. There has been a 45 per cent. fall in root canal work since 2004 and, to confirm the point that I made in an intervention on the right hon. Member for Rother Valley, the number of extractions has risen in the same period.

Charlotte Atkins: Further to the matter that I raised earlier, does the hon. Gentleman accept that the trend for a reduction in complex treatments kicked in before the new contract was introduced in April 2006? It was something that had already been identified as a problem. I should like to establish why that happened, as I do not think that it is automatically clear.

Norman Lamb: That may well be the case, but there is no doubt at all—and I think that the Health Committee report confirms this—that the new contract provides a disincentive to do that work, and the trend has continued with a vengeance since its introduction. In its conclusions, the Select Committee highlighted its concerns, particularly with regard to the loss of complex work, about the quality of dental care that patients who rely on the NHS receive.

There is a related problem: if someone is referred by their usual dentist—in the past, that work would have been done by that dentist—they have to wait again, perhaps in considerable pain. The Select Committee recognised that that was an unsatisfactory situation and that, more often than not, it is appropriate for the work to be done by someone's own dentist. The point has been made repeatedly, both in the debate and beforehand, that there is no proper incentive for dentists to do preventive work, and the system does not emphasise quality. As I pointed out in an intervention, it is massively unpopular with dentists.

UDAs are a sort of straitjacket that has been imposed on the profession. There is a great deal of evidence of dentists running out of UDAs before the end of the year, so they are left with no paid work to do under the NHS. If ever there was an incentive for someone to leave a system that imposes such a straitjacket, surely that is it. Even worse, dentists who do not reach their UDA target, perhaps because it has been calculated incorrectly, end up having to repay money that has already been paid to them. I have a dedicated NHS dentist in my area who gave up in disgust after he was required to repay a substantial sum because he had not met his target.

There is clear evidence of a shortage of orthodontic work, leading to long delays in many parts of the country. A further problem is poor-quality commissioning. There is accumulating evidence that primary care trusts are not taking advantage of the powers that they have and using those powers to good effect. By not carrying out dental health needs assessments for their areas, they are commissioning not on the basis of need, but on the basis of where dentists happen, by historical accident, to be. In Norfolk dentists have been allocated additional UDAs for the rest of the financial year, but they are reluctant to invest in new facilities and in bringing in extra dentists if they have no guarantee that that will continue, so the UDAs go unused.

There is, however, some evidence of good quality commissioning taking place in some parts of the country. I refer in particular to the Heart of Birmingham PCT. I heard an extremely interesting presentation from Ros Hamburger, the public dental health specialist there. In that primary care trust, the contract has been manipulated to reduce reliance on the UDA for the payment of dentists. Instead, payments are based on quality thresholds and preventive work, adjusting the contract in a constructive and positive way. Time will tell whether it works and whether that lesson can be learned elsewhere, but it is right to point to the fact that good things are going on in some parts of the country.

Concern has been expressed about the allocation of funding around the country and the importance of moving to a needs-based system for the allocation of funds. Many dentists are expected to leave in 2009. That is the expectation in the profession, and I suspect that that fear is driving the Government to get on with the review announced last week.

All that leads me to ask whether that rather Soviet-style commissioning of care, rationed from the centre by an unelected quango, can ever work effectively. It clearly turns dentists off. Too often, they are left frustrated. The Minister shakes her head, but if she talks to dentists, she will find that that is what they say. They are left frustrated by slow, inefficient responses from the primary

care trust. As we know, the PCTs have failed to identify where the need is and to allocate UDAs accordingly. The system is not working and the temptation for dentists all too often, not just because of the money, is to escape to a simpler life where they are their own bosses and where they do not have to deal with such a bureaucratic system.

As the Select Committee also recognised, there is a need for fundamental reform—the Chairman referred to it as a fundamental or comprehensive review—of how the system operates.

Mr. Barron *indicated assent.*

Norman Lamb: The right hon. Gentleman is nodding from a sedentary position.

What principles should apply in shaping that reform? First, a set amount of public money is available for dental care, and I suspect that no political party in the Chamber will advocate at the next election a massive increase in that amount. The challenge is to maximise the effectiveness of the money available for NHS dental care so that it improves the nation's dental health.

I turn to the second principle. I am sure that we all agree that the objective is to achieve access to high-quality dental care for all. Some people achieve that access by paying for it. Ten years ago, our dentist announced that he was going private. We wanted to stay with him, so we reluctantly ended up on a Denplan scheme. I do not like paying it, but I get used to it and ultimately can afford it. Our concern should be for those who cannot. The right hon. Member for West Dorset (Mr. Letwin) said that there is a real problem with low-income people in areas that are generally affluent; they often find that they have hopeless access to NHS care. In rural Norfolk, which is not a particularly affluent area, there is certainly poor access. Our focus should be on those who cannot afford to go private. We must ensure that they get access to high-quality dental care.

The third principle is that we must focus on children's dental health, because if we get it right during childhood, the chances are that a substantial amount of work will be avoided later in life. Advances such as the use of fluoride in toothpaste and, in some areas, the fluoridisation of water, have had a significant effect in improving dental health. The fourth principle is that—please—we should involve the profession in shaping any reform. If we fail to do that, the reform will not work. We should trial any reform first and we should not go for a big-bang introduction, because that will end in tears.

Despite the Minister's denials today, the Government appear tacitly to have accepted that the contract is not working as intended. The clear conclusion of the Select Committee is that the contract has not achieved the objectives set at the start. Now there is the opportunity to get it right, and it is important that we do so because many people on low incomes in our country are not getting access to high-quality dental care. We must focus our attention on them.

8.58 pm

Charlotte Atkins (Staffordshire, Moorlands) (Lab): I am delighted that the Health Select Committee finally took up my suggestion of holding an inquiry into dental services. For a long time, dentistry has been a much neglected area of UK health care. Perhaps that is because people do not generally die from dental decay, although a meeting of the British Dental Association panel the other day showed some alarming results for oral cancer and how dentists can save lives by ensuring that oral cancer is picked up early and treated effectively.

Dental decay is not a death sentence, so it is not regarded as a top priority, certainly among many primary care trusts. However, we ignore dental health at our peril. Oral health is integral to general health. In 2003, the World Health Organisation's "World Oral Health" report stated:

> "The interrelationship between oral health and general health is particularly pronounced among older people. Poor oral health can increase the risks to general health and, with compromised chewing and eating abilities, affect nutritional intake."

However, good oral health is a major issue not only for older people but for a range of people of all ages. It is particularly a problem for people from deprived backgrounds in terms of pain control, discomfort, and general self-esteem. Having decayed teeth makes a huge difference to the confidence of young and middle-aged people.

Before the new NHS payments system was introduced in April 2006, there was significant confusion and fear about the burden of dental costs, with up to 400 different charges possible and a maximum payment of some £389. The new system has simplified that charging mechanism to three charging bands, with maximum payments almost halved to £198.

Dr. Murrison: Does the hon. Lady accept the central truth that more people pay more under this scheme than under the previous one?

Charlotte Atkins: I have not seen the figures to prove that, but there are certainly issues with the three bands, and there are perverse incentives for people to store up dental health problems. The Select Committee on Health, of which I am a member, rightly identified some of those problems. The three bands have not been developed well and they need to be looked at again. Simplification of the charging system is vital because someone on a low income needs to know that if they go to a dentist, they can pay the bill. There was also a lot of confusion over whether people were paying for private or NHS treatment. People must be clear about what they are paying for so that they are not encouraged to take up private treatment when they cannot afford it.

I am also pleased that the legacy of the old system whereby dentists provided NHS treatment to young people under 18 only if they treated their parents under a Denplan or other private care scheme has largely gone. It cannot be right to coerce parents to register as private patients as the only way of ensuring that their children get NHS treatment. The Chairman of the Committee rightly pointed out that our witnesses were clear about the fact that that should not be accepted. I understand that the chief dental officer has made it clear that children-only contracts with dentists have no long-term future in terms of PCT commissioning, but some PCTs have maintained them because they are concerned about the shortfall in treatment for children.

Sir Paul Beresford (Mole Valley) (Con): The hon. Lady has touched on something that I was going to say, which is a contrary point. My concern is that dentists

[Sir Paul Beresford]

who have children-only contracts will pull out of the national health service completely and those children will not get the service.

Charlotte Atkins: My argument is that it is right to have dentists choosing either private or NHS care. I was very concerned about the case of a constituent who had been in a contract whereby she and her husband were on a Denplan deal, and their children were being treated under the NHS. Through the new PCT commissioning arrangements, the local dentist had said, "Actually your children now have to be under Denplan." They reluctantly agreed to that and were amazed when, after one of the children had a filling, they were charged £50 on top of the Denplan rates for it. They were absolutely flabbergasted, because they had assumed that the children would be covered in full for all their treatment, but they were not.

There are lots of concerns and we have to come up with a solution. I hope that the review that the Government are conducting will look into how extensive children-only contracts are, whether they can be avoided and whether stopping them in areas where they are creating problems would cause a shortfall in treatment for children, which we must avoid.

Mr. Bone: I am listening to the hon. Lady with interest. My experience is that if NHS dentists were available, people would go to them. In the circumstances that she is describing, surely it is better that at least the children are on the NHS than that nobody should be.

Charlotte Atkins: My point is that the Government's priority must be to ensure that everyone who wants it should have access to NHS dentistry. I therefore very much welcome the independent review of NHS dentistry that the Health Secretary announced last week and look forward to the results of the study that is due to be published next spring.

It is clear that there are still huge variations in access throughout the country. We need to learn from areas where good practice has become embedded. Ten years ago, I worked closely with the dental department of North Staffordshire hospital to encourage forward-looking dentists to relocate to north Staffordshire. I was delighted to welcome Jonathan Webb to Leek, where, after quite a struggle, he opened a new NHS dental surgery in Regent street. I was also delighted to perform the opening ceremony and to sign up as his first NHS patient.

I think that Mr. Webb thought, misguidedly, that the practice would be a nice little venture and that he could coast through to retirement. However, 10 years on, and with lots of encouragement from North Staffordshire PCT, Mr. Webb now has more than 20,000 patients. His practice, which is called TLC 4 Smiles, has relocated in Leek and now includes eight surgeries, four full-time dentists, one part-time dentist and three full-time hygienists and therapists. The practice is 96 per cent. NHS, with just a small amount of private cosmetic work.

Mr. Webb was one of the pioneers of working with qualified Polish dentists to help plug the gaps in NHS dentists that we experienced, both in 2006 and before. He has pointed out to me—normally when I have had my mouth wide open so I could not respond—that the training that those Polish dentists have received does not fully equip them for the different culture and tasks that they face in the UK. It is not that they are not properly qualified; it is that things are a bit different in the UK. Mr. Webb needed to put in extra work with those dentists, but the new contract did not compensate him for his efforts—efforts that PCTs should recognise as essential to ensuring that dentists are delivering high-quality dental care in an NHS service that is of the appropriate standard.

In October this year—some 10 years on—in Biddulph, on the other side of my constituency, I was delighted to perform yet another official opening ceremony of an NHS dental surgery. It took me three years to persuade my local primary care trust of the urgent need for such a surgery, because it did not figure as a high priority for the PCT. I believe that that is a problem countrywide. Once it was established that the need was there, however, the PCT was very supportive of the dentists, Mr. and Mrs. Keen—who, as far as I know, are not related to the Under-Secretary of State for Health, my hon. Friend the Member for Brentford and Isleworth (Ann Keen).

The PCT helped to secure the right building for Mr. and Mrs. Keen—just behind the high street—and the right contract, so that Biddulph people, who had been denied access to NHS dentistry for so long, would be prioritised as patients in that surgery. We avoided the long queues around the block by directing applications through the PCT, but that has not halted the expansion of the practice. Although it has been open for just three months, it is already recruiting an additional dentist, and has the capacity to develop three more surgeries.

This is a young dental team who have enthusiastically embraced NHS dentistry and have the passion that will allow them to take on the challenge of huge inequalities in oral health in the town of Biddulph, which is an old mining town. That is not to say, however, that there are not significant issues relating to the NHS dental contract that must be addressed. It is widely recognised that PCTs are not renowned for their commissioning skills. In general, they seem to lack the necessary analytical and planning skills to carry out that role effectively.

With the commissioning of dentistry coming at a time of PCT mergers, dentistry clearly did not receive the priority that it deserved. As a result, access to NHS dentistry has deteriorated rather than improving with the new contract. But at least, through the GDS contract, we can now address the uneven and inequitable distribution of NHS general dental services. In the past, there was no mechanism to allow that. The people of Biddulph either had to travel out of the town, or had to sign up for private dental treatment through Denplan. Most of them—unlike the hon. Member for North Norfolk (Norman Lamb)—could not afford that. They were at the mercy of the decisions made by their local dental practitioners, who could decide for themselves how much NHS and how much private treatment they provided.

That all changed when the PCT awarded the NHS contract to Mr. and Mrs. Keen. Not surprisingly, many Biddulph people are choosing to move to NHS treatment in their state-of-the-art surgery, because they are now empowered to do so. I am pleased that the Department of Health is belatedly offering a programme of work to PCTs to encourage them to commission more effectively, and is reviewing its dental public health work force so that it has the skills to assess the need for better NHS facilities. That should help PCTs to get their act together.

As for the NHS dental contract itself, there is a real need for a review of aspects of the reforms. It should be established, for instance, whether the units of dental activity so hated by dentists can allow a proper focus on preventive care and cosmetic treatment. Now that the dental health of our young people is so much better, there is clearly much less need for the drill-and-fill approach. They demand much better cosmetic and orthodontic treatment, and we should focus on that. We must also look again at the payment bands to ensure that patients are not encouraged to delay visits to their dentists and store up dental problems in order to save money under the new charging system. We must ensure that the UDA system is used flexibly enough to allow dentists to get off the drill-and-fill treadmill and to address the wider public health agenda. That is what primary care trusts were set up to do, and they must do it in the area of dentistry as well as in other areas of public health.

PCTs must make more use of specialists and consultants in dental public health and carry out more effective oral health needs assessments. They must work more closely with their dentists to ensure that they are addressing the real oral health needs of their populations. They have to address the other health needs of their populations; why are they not doing it in relation to oral health? And where are the strategic health authorities in all this? They seem to have completely reneged on their responsibility to manage the dentistry performance of PCTs. The Department of Health needs to investigate with the profession whether the quality and outcomes framework-style system that GPs have would help to improve the dental health of patients.

I welcome the closer working relationship that appears to be emerging between the Department and dentists. I also welcome the top priority that the Government are giving to improving access to dentistry, the increased £2 billion funding for dentistry and the announcement of further action in the new year to improve access. I am sure that the Committee will look carefully at those new measures.

I want to finish by thanking the Health Secretary for the £14 million a year for local health authorities to support fluoridation schemes in areas of poor dental health. That is the single most effective measure to reduce oral health inequalities, and this provision demonstrates that we have a Government who are committed to doing that. I would also like to congratulate the South Central strategic health authority on being the first SHA to undertake a fluoridation consultation under the Water Act 2003. I wish it every success in its initiative, and I hope that the Government will give it all the support that it needs. Dental health in the United Kingdom is improving, but far more needs to be done through fluoridation and through working with the profession to ensure that we make the best of the health professionals working in dentistry.

Sandra Gidley: I am interested that the hon. Lady mentioned fluoridation. Is she aware that most of the evidence is showing a case for fluoride relates to its use in a topical sense, and that the evidence base for adding fluoride to the water supply is very limited? Some countries have actually removed fluoride from the water. I think that her enthusiasm is slightly misplaced, because the improvements in dental health in areas where fluoride has been added to the water have not been as great as had been expected.

Charlotte Atkins: That is absolute rubbish, I am afraid. That is not the case at all. I benefited greatly from being brought up in an area where there was a huge amount of fluoride in the water: it made a huge difference to our oral health. If we compare the situation in fluoridated Birmingham with that of Manchester, we see that the evidence demonstrates the benefits of adding fluoride to the water.

9.18 pm

Sir Paul Beresford (Mole Valley) (Con): I am going to try to rush through my speech, and to add to, rather than repeat, the points that have already been made. In his introduction, the Chairman of the Committee said that there were three drivers or criteria in the original contract and that, from the point of view of the dental patient and of the profession, it had certainly failed. We do not have a more preventive approach now, dentists are on a treadmill as they have never been before, and there has been a transformation, in that many dentists have moved out and many thousands more wish to do so. We really need to find a system that will encourage many of those dentists who have gone totally private to come back, at least in part. The difficulty with that, of course, is the treadmill I mentioned and the avalanche hanging over every dentist with UDAs—units of dental activity—and the UDA contract.

The difficulties of the UDA system—for example, the issue of whether to do root canal treatments or extractions—have already been touched on. A root canal on a molar tooth will take about 90 minutes, if the dentist is practised at it and if they use very expensive nickel-titanium reamers, which must be thrown away. In contrast, an extraction generally takes 15 minutes and the forceps are retained, which provides quite an incentive to the dentist, sadly.

What really worries me is that according to NHS information centres, in excess of 1.2 million people are no longer able to access the national health service. That applies to about a million adults and, even more appallingly, about 200,000 children. That has got to be overcome. The hon. Member for North Norfolk (Norman Lamb) mentioned that it is anticipated that many dentists will leave next year. The only benefit of the credit crunch that I can see is that they might be tempted to stay.

Let me move on to two other issues: the development of dentistry and the patient, who has not really been mentioned so far. Over the last 10 or perhaps 12 years, there have been dramatic changes in dentistry, mostly positive and with most gains predominantly experienced in the western world, by which I mean the United States, Canada, Australia, New Zealand, parts of Europe and to some degree in the UK, but outside the national health service.

Mention was made of fluoridation, and I would like to re-emphasise the point made by the hon. Member for Staffordshire, Moorlands (Charlotte Atkins) and to contradict the intervention from the hon. Member for Romsey (Sandra Gidley). Fluoridation is heavy in many of the countries I mentioned. It has made a huge improvement to the diminution of dental decay and without the detrimental health side-effects that were predicted by a few and were proclaimed by scaremongering detractors. Let me take a few moments to explain more fully.

[Sir Paul Beresford]

When I was a kid in New Zealand, dental schools provided dental nurses to work in state schools—New Zealand's schools are almost entirely state schools—and there were three dental schools. With fluoride in 60, 70 or 80 per cent. of the country's water supplies, those dental schools have been diminished to one. There are more schools, more children and more teeth, but there is less work. Instead of having three dental schools, as I said, New Zealand now has one, and the girls who come out of it who go to treat the children spend 50 per cent. of their time teaching prevention and 50 per cent. on actual treatment. Only a sixth of the number of children need treatment now, yet the effect of fluoride in the water supply has a lesser effect on children than on adults.

Let me come back to the changes in dentistry. Progress on dental materials and techniques has been dramatic. Dentistry provides very successful implants, new composite fillings, new all-porcelain crowns, porcelain inlays, protective porcelain inlays/overlays and new materials for dentures, many of which can be and often are retained and stabilised by implants. There are beautiful, natural-looking veneers, protective overlay veneers, successful dental bleaching methods, dramatic new orthodontic techniques producing quite superb results and improved oral surgery techniques. Protection against cancer is also better if patients go to the dentist.

We need to recognise that dentists are taught all those techniques in dental schools, but they are not available on the national health. I do not think that they should all be available on the national health. NHS dentistry should be driven predominantly as a health service for oral conditions. I am sorry to disagree somewhat with the hon. Member for Staffordshire, Moorlands, but although cosmetics are vital, the NHS should have no role in paying for them, except in exceptional circumstances, which do arise. A young girl who comes in with stained upper and lower anterior teeth should have bleaching available to her on the national health service. As the system works now, however, she will get six or 12 veneers where the teeth are stripped down via a high-speed burr and damaged for ever. The bleaching, however, would leave her with her natural teeth and make a dramatic change. We need to think about that.

One negative, which I touched on during Question Time earlier and which the hon. Member for Staffordshire, Moorlands also mentioned, is oral cancer. It is distressing to see that the incidence of oral cancer has got much worse. There are more deaths, and the cure and detection rates are diminishing. A large degree of that relates to the fact that patients are no longer being seen.

The chief dental officer was reported in the press as claiming that dentists were milking the system by asking patients to return for annual examinations. I hope that that is wrong, because the prevalence of oral cancer, particularly in deprived areas, means that it is vital that patients are seen and checked for that cancer regularly. I am referring to young people as well as those whom we normally expect to get cancer as they get on. Another point needs to be made: if a decayed molar, for example, needs to be restored, it can be restored by amalgam, composite, gold, porcelain bonded to gold or porcelain bonded to porcelain, but whatever is used, that is one fewer decayed tooth among the national population.

We need to work to a system that introduces the private sector working alongside the NHS. I am a great supporter of NHS dentistry. I spent a lot of my career, in the early days, working in east London. We need NHS dentistry, but we need the dentists to be there for it. Taking away the drive to force them out, which the UDA targets system has introduced, might give us the chance to persuade some of those dentists to come back.

I have a few more points to make. I hope that the Minister will think carefully when she looks at the new review. I shall cut out most of what I wanted to say and put a few basic points to her. We need to move on fluoridation. I have touched on that. Australia, New Zealand, Canada, a number of European countries and most of the states of the United States have dramatically better dental health than the UK, and that is entirely down to fluoride.

May I suggest to the Minister that she needs to recognise a few basics? Patients need choice and they need that choice presented to them by well-trained dentists. The dentists need the appropriate equipment and materials. They need the time to produce quality work, including prevention, which the UDA targets system does not allow them. The measure of success should be the number of dentists prepared to offer core dental health treatment on the national health, not necessarily the number of people using the NHS, because that choice must be the patient's choice.

9.28 pm

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to take part in the debate. My remarks will be brief, because they have to be brief. I do not want to have a coughing fit. Like most Members who are present, I wish to keep my sanity and my health for the Christmas period.

As always, it is a delight to follow the hon. Member for Mole Valley (Sir Paul Beresford), who knows much more about dentistry than I could ever want to know about it. My impression of dentistry is one of a profession going through quite dramatic change—structural change, changes to training and changes in how the profession is funded.

My views have been formed in two particular ways. First, I have two quite close friends who are former dentists and are horrified at some of the changes that have taken place in the profession. They see themselves as good, old-fashioned NHS dentists and not in their wildest imagination could they think that, once they had left the profession, it would go from being almost comprehensively NHS to being much more dependent on the private sector.

My second point of impact was a meeting with dentists in the Stroud area some years ago. It is the only meeting that I have had with dentists collectively because it was such a shocking experience; it is seared on my memory. This meeting pre-empted the new contract, and virtually to a person, the dentists made it absolutely clear that whatever was in the new contract introduced by the Government, it would be the baseline, and that they would negotiate on top of it. They did not see the British Dental Association as representing them; they saw themselves, more or less, as private contractors in a marketplace who would charge whatever the patient would be prepared to spend.

That was a pretty depressing experience, because I went to the meeting to try to bring those people back into the NHS, and I learned very quickly that they were not very interested in coming back to the NHS, whatever was in the contract. This is why my constituency is so unusual, as I said when I intervened on my right hon. Friend the Member for Rother Valley (Mr. Barron) earlier. In the south of my constituency, all the dentists are NHS dentists. I have to explain to my constituents that if they live in the Stroud area, they ain't going to get an NHS dentist, but if they live in the south of the constituency, they will—unless they choose to cross over. It is a bizarre situation, and it is just like having the Berlin wall. I wish we could overcome that problem.

It is grossly unfair that those in the north of my constituency do not have access to NHS dentistry, and dentists who operate in the south, such as Steve Clarke, who runs a big training practice, are able to make money out of the NHS. He is supportive of the NHS, and provides quality care on the NHS. I know that because I send to his practice a lot of constituents who moan to me about not being able to access an NHS dentists. Something peculiar is going on, perhaps because of the wider changes in dentistry.

The problem with the PCT is that it measures access to NHS dentistry across my whole area, so the picture looks quite good. Of course, it depends which part of the area people live in, and those in the northern part of my constituency are strongly disadvantaged. I had that argument with the PCT, which is now putting resources into Cheltenham, Tewkesbury and the Forest of Dean, having previously put resources into Gloucester. I keep asking for resources to be put into Stroud, and it looks at the figures and says, "You've got a good number of NHS dentists in Stroud". However, that is the case only on a locational basis.

I shall end on the issue of fairness and equity. I hope that the Government will consider that issue in the investigation that they have launched. I could go into all sorts of questions of fairness and equity with regard to orthodontistry, where those who seem to be in the right place at the right time get free treatment and other people do not. I also feel strongly about the question of what people get for what they pay. We have all dealt with difficult constituency issues where people have felt that they paid money when they were not sure what treatment they would receive. That is one of the problems of not underpinning dentistry more widely. I could speak about fluoridation, but I am clearly not among friends because I am a long-time opponent of fluoridation of the water supply, so I will say no more about it.

In conclusion, I hope that there is a comprehensive investigation of dentistry in this country. I accept that we have not got it right, but that has been true for a long time, and we owe it to people in those deserts where there is no NHS treatment to provide greater fairness and equity. If this investigation can do that, it will have come not a second too early; too many people have lost out, and continue to lose out, which is completely unfair in this day and age.

9.34 pm

Mike Penning (Hemel Hempstead) (Con): It has been a short, but excellent debate, and I apologise to hon. Members who have not had the time that they deserved—perhaps having three statements at the start of the day did not help. I know that the Chairman of the Select Committee raised that during a point of order earlier.

I shall try to touch on some of the points raised by hon. Members this evening, starting with the Chairman of the Select Committee. I was a very proud member of the Select Committee, and we heard earlier that there were calls for an inquiry into dentistry some time ago. I agree that there were such calls, and I praise Committee members for calling for that. I also praise the Committee for the quality of the recent report, which was very fair. It is scathing in places, but it also offers forward-thinking and innovative ideas on how the contract could be progressed. I do not agree with parts of the report, however, and Her Majesty's Opposition also have some ideas on how we could make progress, to which I will return shortly.

I was interested to hear the Chairman of the Select Committee, the right hon. Member for Rother Valley (Mr. Barron), refer to his dentist, because unless he is having treatment at the moment, he has not got a dentist as this contract does not involve registration. Therefore, unless someone is undergoing treatment, they do not have a dentist. I would have liked that to have been made clear in the report; I do not think it is generally known by the public, but it is a fundamental point of the contract, which was imposed on dentists in 2006, that people are not registered unless they are actually having treatment. That is a very important issue, because if we were to go out on to the high streets of this country and ask members of the public who rely on NHS dentistry whether or not they are registered with a dentist, the vast majority would still say they were even though they are not. They might turn up at the dentist and say, "I need treatment", but that dentist might have already run out of UDAs; that dentist might already have said, "I can't treat any more patients this year." Those are the circumstances when some of the problems are occurring.

Dr. Murrison: Does my hon. Friend not agree that one of the most powerful ways of incentivising dentists is to register patients, as they would then have an incentive to build up a list of people with good oral health, which would ultimately reduce their work load? That aspect of incentivisation has been completely missed in this new contract.

Mike Penning: I completely agree with my hon. Friend and I will come on to that point later. I do not see how we can have preventive dentistry without having some form of capitation and registration. I think the right hon. Member for Rother Valley alluded to that in his speech.

The report digs deeply into what NHS dentistry is capable of doing in this country today. Should we actually give up on parts of the country that rely on NHS dentistry? There is a postcode lottery; it is a fact that in some parts of the country that I have visited there is a plethora of NHS dentistry. In Newcastle and the north-east there is almost no private dentistry, whereas in other parts of this country—I am referring to England now—there is almost no NHS dentistry. This is a national health service, however, and that is partly—although not completely—why this contract was created. It was already in difficulties before, which is why the Government, in good faith, tried to bring in a contract that would help, but instead it has made the situation worse.

[Mike Penning]

When the Select Committee took its evidence, about 900,000 people who had had NHS dentistry had lost it. The latest figure is 1.2 million. That means there are now 3 million people in this country who need to rely on NHS dentistry but cannot access it. As the economic climate becomes increasingly difficult, more people will need to rely on NHS dentistry. I listened carefully to the comments of the hon. Member for North Norfolk (Norman Lamb) when he said he is in Denplan. A lot of people who are in Denplan will not be able to continue to afford to make those monthly payments should they lose or change their job. The demands on NHS dentistry will, therefore, increase.

We must look at what the Government might propose in the review. My personal view is that this contract is a damaged brand, with its language of UDAs. From meeting dentists around the country, it is clear that they are not confident that the contract can provide for the British people the sort of dentistry we expect in the 21st century. I therefore look forward to the review with a degree of scepticism in terms of where the contract can go.

Sandra Gidley: The panel undertaking the review has been welcomed, but I note that it contains no community dentist and so some dentists will be wondering about its composition. It seems to be made up of a couple of academics, somebody who apparently wants to be the chief dental officer one day and a failed commissioner who commissioned dental services without doing a needs assessment. Does that augur well for the future?

Mike Penning: No, it does not. In fact, it resembles something similar to what happened when this contract was imposed in 2006.

Lots of hon. Members have discussed the importance of proper continuity and discussion with the professionals in the dentistry profession. As has been mentioned, no one body represents the whole of dentistry and the dentistry profession—perhaps it would be better for the dentists if they did have one body that could stand up and fight their corner. I am very concerned that there appears to be a lack of engagement between Ministers and the professionals.

I did not intend to upset the Minister at Health questions earlier today, but I clearly did so. Let me therefore go back for a second to where we were. I asked why no Minister went to the British Dental Association conference in Manchester this year to speak on behalf of the Government, given that the contract is so controversial within the profession. The Liberal Democrat spokesman was there, I was there and so, too, was the chief dental officer. He is a civil servant—he is not a Minister of the Crown and he is not elected; he is appointed by the Secretary of State for Health—and it is fundamentally unfair that a civil servant is there to represent the mistakes and problems that the Government have got themselves into on dentistry. Both the Liberal Democrat spokesman and I refused to debate with him in public, although I would have been more than happy to have debated with a Minister.

I understand that the Minister was busy that day, but I was with a Health Minister on the train to Manchester—the hon. Member for Bury, South (Mr. Lewis) was a Health Minister at the time. I said to him, "Fantastic, you are obviously coming to the BDA conference to represent the Government." He replied, "No, I am going home." The only person who was representing the Government was the chief dental officer, and that was fundamentally unfair on him, because he was put in a position that only an elected Minister should be put in.

As the process goes on and as this contract is reviewed, I am very concerned about whether the Government will have the courage to admit how much of the contract they have got wrong and how much of it has affected people in this country. We see reports in the press of people extracting their teeth with pliers and people going to the pharmacists to get do-it-yourself fillings, which are available in most pharmacists in this country, because of the lack of NHS dentistry. That might be down to fear; it may not be fact, but the perception of a lack of such dentistry exists.

We have discussed the UDAs at length today. It cannot be right that in band 2 up to six fillings or one root canal or an extraction can be carried out. The obvious situation to consider is that of a dentist who is under pressure. What is such a dentist going to do? I hope that all dentists do what is right for the patient, but given that they are looking at the UDA rather than at the outcomes, it is obvious that, at times, real problems will arise. Many dentists have said that they are not willing to work under this contract and they have walked away, and we have to encourage them to come back.

One area of the report that concerned me—this issue came up when I was on the Select Committee and we were examining charging—was the bit dealing with dentists who say "I will keep your children on only if you take me on as a private dentist." Such an approach is fundamentally wrong, because it is blackmailing people by saying that they can have NHS dentistry only if they pay for a private insurance plan or they pay as they go. I think that we have to accept the fact that, there is nothing because so few dentists have been working in some parts of this country, at this stage wrong with a dentist who is willing to take on a child, with no strings attached, under an NHS contract. That is better than nothing, and we need to examine such an approach. I know that the Select Committee was concerned about people being pressurised into certain things. That is fundamentally wrong, but if we can encourage private dentists to come back into NHS dentistry and take children on without any strings attached, that has to be good. On average, children have 1.5 fillings or extractions by the age of five, so the oral hygiene of our youngsters is going in the wrong direction. If we do not address children's oral health problems, that will have an effect as they get older. It is therefore vital to address the issue of oral health in the young.

We have to encourage more dentists to come back into NHS dentistry. We have to look seriously at the court case earlier this week, which the Government lost on appeal when a dentist objected to the fact that, whether he had performed well or poorly, the PCT could remove his contract at any time. The courts ruled that that was wrong. We should extend the length of contracts, so that dentists can invest in their practices. PCTs do not pay for surgeries or equipment: the investment has to be made by the dentists themselves. There must also be a presumption that should a dentist want to move on or retire, they have the right to sell on the

goodwill in their contract. If we want dentists to come back into the NHS, or young dentists coming out of training schools—I have visited them and they are fantastic—to come into the NHS, we must give them the confidence to do so, especially in this difficult economic climate.

I agree completely with the Committee: if we want to understand what is happening to dental hygiene in this country, we have to have registration and a per capita system; otherwise, we will not have a national health service. Instead, we will have the postcode lottery that has put NHS dentistry into crisis today. I welcome the report and I congratulate the Committee on it.

9.46 pm

The Parliamentary Under-Secretary of State for Health (Ann Keen): I welcome the opportunity to speak on the important subject of dental services. I will do my best in the time available to respond to the points made in the debate. I start with my right hon. Friend the Member for Rother Valley (Mr. Barron), who made his contribution as Chairman of the Committee. He mentioned training and how it affects dentists in practice. The review by Professor Jimmy Steele, which we welcome, will cover those areas.

My hon. Friend the Member for Staffordshire, Moorlands (Charlotte Atkins) was an absolute trouper during her speech, and we certainly witnessed her commitment to dentistry this evening. I congratulate TLC 4 Smiles, which obviously gave her the courage and commitment to continue. I thank her for her contribution and the work that she and other hon. Members have done to push dentistry to the forefront.

Many hon. Members talked about the importance of oral health care, and the hon. Member for Mole Valley (Sir Paul Beresford) raised the important issue of oral cancer. I am sure that he would agree that the Government's approach to children and the purchase of tobacco, and the discouragement of cigarette smoking, is important, because reducing smoking is one of the most important elements of addressing oral cancer.

Mike Penning: With that in mind, will the Minister consider whether dentists should be allowed to prescribe nicotine replacement therapy?

Ann Keen: We should consider all aspects of smoking cessation.

People's oral health has changed, and dentistry needed to change to reflect that. Dentists themselves recognised that the old contract was a so-called "drill and fill treadmill". Under that contract, dentists themselves chose where to set up in practice, they chose how much NHS work to do, and if they chose to leave the NHS, there was nothing that the local NHS could do to protect local access. As the Committee and many Members have pointed out, it is access that is important. Our new contracts give local primary care trusts the power to decide what services they need. Local PCTs contract with dentists to provide those services.

Mr. Bone: The Minister describes the problem in great detail, but the fact is that it has got worse. Since 1997, 15 per cent. fewer adults are being seen by an NHS dentist. The Government's policy has totally failed.

Ann Keen: If the hon. Gentleman will let me proceed with the points that I want to make, he will see that some aspects of the contract have without question improved things for patients. There are difficulties, which we have recognised.

If a dentist decides to leave the NHS, the PCT can commission new services to maintain and grow NHS access. The fundamental principles of the new dental contract are right. It allows prevention as well as traditional dental treatment and allows the local NHS to commission local services to meet local needs.

Sandra Gidley: Will the Minister explain why it takes so long to commission new services? It takes more than a year to do so locally. At the beginning of the process, the commissioners did not even know how many dentists the UDAs would commission. The level of knowledge was that low. What is being done to address that and to speed up the process so that people do not lose out?

Ann Keen: The hon. Lady will be aware that those on her Front Bench have said how good the situation is in certain parts of the country, and particularly in Birmingham. There are many good practices that can be considered and we want to encourage the commissioners to do that.

The new contract was a radical change. In its report, the Health Committee identified concerns about the way in which it works. That is why we have asked an independent team, led by Professor Jimmy Steele of Newcastle university, to carry out the review. The review will help us to determine how we can use local commissioning to increase access to NHS dentists and improve the quality of services.

Sir Paul Beresford: Let me take the Minister back to the previous intervention. Does she not agree that many PCTs are using the extra commissioning money to cover the loss of fees from patients?

Ann Keen: If the hon. Gentleman would like to give me information about where that is happening, I would be very happy to look at it. PCTs have the money ring-fenced until 2011 and they are encouraged. We have to congratulate many dentists and PCTs on the work that they have done to see that the contract works to the benefit of all our constituents and all patients who require dental services.

The review will help us to determine how we can use local commissioning to increase access to NHS dentists and to improve the quality of services. It will investigate whether the decline in complex treatment is consistent with the needs of patients. It will help us to understand what more we can do to encourage prevention and reduce inequalities in oral health. The review will look forward to help us begin to plan the dental services we will need to meet peoples' needs in the future.

Greg Mulholland (Leeds, North-West) (LD): Will the Minister consider putting a dentist on the review panel? May I also briefly bring her back to the key issue of access, which I am not sure that she has quite covered? I remind her that, in 2007, the Department said that the key test of its reforms would be

"their ability to support improved patient access".

[Greg Mulholland]

Despite that, 20,000 fewer patients are accessing NHS dentistry in Leeds, and 900,000 fewer have done so across the country in the past two years. How can the Minister possibly defend the contract in terms of access? When will she accept that it has failed in that aim and that the review must fundamentally address that point?

Ann Keen: I will not accept that at all. Many Members have said to me, both inside and outside the Chamber, that dental care has improved. In fairness, hon. Members need to recognise that the problems of dental access date back to the early 1990s. The problem had been growing for many years and culminated in the famous queue in Scarborough. That was probably the first time that the nation's attention was focused on a system that was badly in need of reform.

I ask the House to remember that the queue in Scarborough occurred in January 2004, more than two years before we introduced our contract reforms. Indeed, it demonstrated the need for them. On top of the problems with the old contract that I have already described, we had a shortage of dentists. We have now opened two new dental schools and increased the total number of dental undergraduates in training by 25 per cent. The first of those new graduates will leave dental school next year, and the recurring increase in dental graduates will transform the availability of dentists. I hope that hon. Members of all parties will listen to what I am saying and be honest enough to accept that, although a decision was taken under the previous Administration to close two dental schools, we have now put that right. Does the hon. Member for Hemel Hempstead (Mike Penning) want to intervene to accept that the Conservatives closed the schools, and that we have put that right?

Dr. Murrison: Does the Minister accept that those closures were predicated on projections about the reduction in dental care made by the profession at the time? I am sure that she likes to adhere to the evidence base, so she will know that many dentists, because of the changes to dentistry, have been drawn to cosmetic dental surgery. That was not expected, and she should acknowledge that both those factors are part of the problem that we face today. Will she acknowledge that it is wrong of her to lay into previous Governments for adhering to the evidence base that underpinned those closures?

Ann Keen: The fact remains that two dental schools were closed under the previous Administration, and that they have been opened by the present Government.

As I said, the new contract is based on dental services locally commissioned by PCTs to meet the needs of people seeking care in their areas. We have shown our commitment to increasing access to NHS dental services by increased investment of 11 per cent. in the current year. Next year, we will invest a further 8.5 per cent., for a total increase of £385 million over the two years.

We have reinforced that commitment in the NHS operating framework for 2009 by stating that PCTs should aim to provide access for anyone who seeks help in accessing NHS dentistry. In 2006, a significant number of dentists chose not to accept their new contracts. The level of service that they represented was 3.6 per cent. and, in patient terms, that was the equivalent of services for around 1 million patients. This loss is still reflected in the 24-month access data published by the information centre.

The number of dentists providing NHS treatment in 2007-08 increased by 655. So although the dentists who refused the new contracts in 2006 were lost, the number of dentists has started to grow again. The number of courses of treatment delivered in 2007-08 was 2.7 per cent. higher than in 2006-07, and the figures that the information centre published in November show that courses of treatment delivered in the first quarter of the current year are on course to be 3 per cent. higher.

Looking forward, the figures show that PCTs this year have commissioned more dental services than ever. This increase in activity will show in the access data very soon, but locally it is already visible in the form of new practices opening and of existing contracts being grown.

Despite the national figures, many PCTs are already ahead of the game. Some 30 per cent. of PCTs have actually increased dental access from March 2006. Some have done very well. The Isle of Wight, for example, has increased dental access by 24 per cent., while both the Medway and the Telford and Wrekin PCTs have increased it by 17 per cent. Those figures hardly support the view that the new contract somehow causes access to reduce, but I accept that other PCTs need to move further and faster on access. The new commitment in the operating framework gives PCTs a clear signal as to the priority that we place on access.

In my constituency, dentists have developed and run an outreach project to apply fluoride varnishes to children's teeth to protect them from decay. At the same time, they have put the parents in touch with local dental services. There are many other examples around the country of similar initiatives that can be carried out as part of the contract.

The Select Committee was told to expect a mass exodus from the NHS in April 2009. We do not see any sign of that, although some practices that previously have employed a restricted contract approach to their NHS commitment may find that the PCT proposes a contract value that more properly reflects its commitment to the NHS. Such practices tend to offer child-only contracts, or contracts for exempt patients only.

In conclusion, the past three or four years have been turbulent and unsettling. We now need to move forward with the profession, using the increased investment and larger work force as part of a greater focus on providing NHS dental services that we can be proud of.

I am proud of our NHS dentists; they work hard. They have worked hard for all of us, with a difficult contract. We will make sure that the evidence from our review, and the evidence in the Health Committee report, which my Department welcomes, will continue to strengthen access to dentistry in all our constituencies.

10 pm

Debate interrupted, and Question deferred (Standing Order No. 54(4)).

The Speaker put the deferred Questions (Standing Order No. 54(3)).

VOTE ON ACCOUNT, 2009-10

Office of Gas and Electricity Markets

Resolved,

That, for the year ending with 31 March 2010, for expenditure by the Office of Gas and Electricity Markets—

(1) resources, not exceeding £315,000, be authorised, on account, for use as set out in HC 1039 of Session 2007-08, and

(2) a sum, not exceeding £700,000, be granted to Her Majesty out of the Consolidated Fund, on account, to meet the costs as so set out.

Department of Health

Resolved,

That, for the year ending with 31 March 2010, for expenditure by the Department of Health—

(1) resources, not exceeding £33,990,717,000, be authorised, on account, for use as set out in HC 1039 of Session 2007-08, and

(2) a sum, not exceeding £33,474,467,000, be granted to Her Majesty out of theConsolidated Fund, on account, to meet the costs as so set out.

The Speaker then put the Questions on the outstanding Estimates (Standing Order No. 55).

SUPPLEMENTARY ESTIMATES, 2008-09

Resolved,

That, for the year ending with 31 March 2009—

(1) further resources, not exceeding £7,425,726,000, be authorised for use for defence and civil services as set out in HC 1163 of Session 2007-08,

(2) a further sum, not exceeding £32,112,484,000, be granted to Her Majesty out of the Consolidated Fund, to meet the costs of defence and civil services as so set out, and

(3) limits as so set out be set on appropriations in aid.—*(Ian Lucas.)*

ESTIMATES, 2009-10 (VOTE ON ACCOUNT)

Resolved,

That, for the year ending with 31 March 2010—

(1) resources, not exceeding £168,435,164,000, be authorised, on account, for use for defence and civil services as set out in HC 1039, HC 1136, HC 1160 and HC 1171, of Session 2007-08, and

(2) a sum, not exceeding £160,963,839,000, be granted to Her Majesty out of the Consolidated Fund, on account, to meet the costs of defence and civil services as so set out.—*(Ian Lucas.)*

Ordered, That a Bill be brought in upon the foregoing Resolutions;

That the Chairman of Ways and Means, Mr. Chancellor of the Exchequer, Yvette Cooper, Mr. Stephen Timms Angela Eagle, Ian Pearson and introduce the Bill.

Consolidated Fund Bill

Presentation and First Reading

Mr. Stephen Timms accordingly presented a Bill to authorise the use of resources for the service of the years ending with 31 March 2009 and 31 March 2010 and to apply certain sums out of the Consolidated Fund to the service of the years ending with 31 March 2009 and 31 March 2010.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 5).

Mr. William Cash (Stone) (Con): On a point of order, Mr. Speaker, regarding the statement made by Assistant Commissioner Mr. Bob Quick on the entry into the House of Commons and the arrest of my hon. Friend the Member for Ashford (Damian Green). The statement, we are told, recognises parliamentary rights and freedoms, but we are also told that a report exists. I have written to you, asking whether you would be kind enough to demand and/or ask the person who produced the report—Chief Constable Johnston of the British Transport police—to make it available and put it in the House of Commons.

The statement that we have been provided with welcomes the assurance of Chief Constable Ian Johnston

"that the arrests and searches were lawful."

Irrespective of whether the arrest was lawful, on which I make no comment, the question of whether the searches were lawful is a matter of privilege for the House. The statement asserts that they were lawful, but that is a matter of grave dispute. It is well established that the question of whether a privilege exists is one for the courts. It is for the House to decide whether there has been an infringement. I therefore regard the matter as being within the framework of the complaint of privilege that I have already made to you. I would be grateful if you considered the matter and made appropriate representations, so that we can have a copy of the report; otherwise, there would, I believe, be a breach of privilege.

Mr. Richard Bacon (South Norfolk) (Con): Further to that point of order—

Mr. Speaker: Perhaps I might reply to the hon. Member for Stone (Mr. Cash). As I came downstairs this evening to take the Chair, I learned of the statement that was made. It is my understanding that the Johnston report will not be published until criminal proceedings are dealt with. Therefore, there has been no publication of the report, and the situation is as it stood this afternoon, when I replied to the hon. Gentleman to say that I was not going to allow a debate.

Mr. Cash: Further to that statement, if I may, Mr. Speaker. This is very important. The question of whether article 9 of the Bill of Rights provides for the Police and Criminal Evidence Act 1984 to be overridden by that article in proceedings in Parliament is the question before the House. The complaint of privilege that I have made effectively states, as you know, Mr. Speaker, that article 9 overrides PACE in respect of the precincts of the House. That is a matter on which the Standards and Privileges Committee must adjudicate in due course if a motion is passed. I believe that that is the position, if I may say so with respect, Mr. Speaker.

Mr. Bacon rose—

Mr. Speaker: I will take a point of order from the hon. Gentleman.

Mr. Bacon: I am grateful, Mr. Speaker. Further to the point of order from my hon. Friend the Member for Stone (Mr. Cash). The final review document by Chief Constable Ian Johnston is a review of the behaviour of the police, contrary to the statement of Assistant Commissioner Quick published this evening, which says:

"As is normal with such reviews, it cannot be published at this time as it relates to an ongoing criminal investigation".

[Mr. Richard Bacon]

It does not relate to such an investigation, but to the behaviour of police officers. May I therefore ask you, Mr. Speaker, to reflect—overnight, perhaps—on whether you could consider later in the week, before the House rises for the recess, insisting to the police that the review document, which is now in its final form, be made available to hon. Members?

Mr. Speaker: The hon. Gentleman has almost taken the words out of my mouth. He has raised an important matter, and the hon. Member for Stone has raised a point of order, too. As I have stated, I have just come down to chair proceedings, as is traditional for me, to see the last piece of business out before the evening is over. It is best that I take the points of order that both hon. Gentlemen have raised, consider them overnight, and take advice from my advisers and allow the night's business to proceed. I promise that I will come back to the House as soon as I possibly can on this matter, and of course that will be before the week is out. I thank the hon. Gentlemen for raising their points of order.

Business without Debate

DELEGATED LEGISLATION

Mr. Speaker: If it is convenient for the House, we shall take motions 4 to 8 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

DEFENCE

That the draft Armed Forces (Alignment of Service Discipline Acts) (No. 2) Order 2008, which was laid before this House on 21 October, in the previous Session of Parliament, be approved.

BANKS AND BANKING

That the draft Kaupthing Singer & Friedlander Limited (Determination of Compensation) Order 2008, which was laid before this House on 3 December, be approved.

That the draft Heritable Bank plc (Determination of Compensation) Order 2008, which was laid before this House on 3 December, be approved.

That the draft Bradford and Bingley plc Compensation Scheme Order 2008, which was laid before this House on 3 December, be approved.

REHABILITATION OF OFFENDERS

That the draft Rehabilitation of Offenders Act 1974 (Exceptions) (Amendment) (England and Wales) Order 2008, which was laid before this House on 29 October, in the previous Session of Parliament, be approved.—*(Ian Lucas.)*

Question agreed to.

REGULATORY REFORM

Motion made, and Question put forthwith (Standing Order No. 18(1)),

That the draft Legislative Reform (Verification of Weighing and Measuring Equipment) Order 2008, which was laid before this House on 20 October, in the previous Session of Parliament, be approved.—*(Ian Lucas.)*

Question agreed to.

ADJOURNMENT (CHRISTMAS)

Motion made, and Question put forthwith (Standing Order No. 25),

That this House, at its rising on Thursday 18 December, do adjourn till Monday 12 January 2009.—*(Ian Lucas.)*

The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 17 December (Standing Order No. 41A).

PETITIONS

Northern Rock

10.8 pm

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): I wish to present a petition submitted by my constituent, Linda Lewis, and signed by 73 other constituents who are shareholders and supporters of Northern Rock. The petition calls for the reassessment of the terms of reference given to the valuer appointed to deal with Northern Rock. I hereby submit the petition.

Following is the full text of the petition:

[The Petition of small shareholders & supporters of Northern rock of the Houghton and Washington East constituency in the North East of England.

Declares that that it welcomes the acknowledgement by the Government that it must pay compensation for nationalising Northern Rock plc, but that the terms of reference for the valuation of the shares are wrongly based as the company was not in administration and was still a 'going concern'.

Further declares that if these terms are unchanged there will not be a fair compensation payment which will lead to many in our region having their savings and pensions undermined which in turn will have a negative impact on the North East's economy.

The Petitioners therefore request that the House of Commons calls on the Government to reconsider the terms of reference given to the valuer so that he can fully reflect the true value of Northern Rock shares.

And the Petitioners remain, etc.]

[P000308]

Planning and Development (Northamptonshire)

10.9 pm

Mr. Peter Bone (Wellingborough) (Con): Before I present the petition, may I wish you a happy Christmas, Mr. Speaker, as I think that this is my last opportunity to do so this year? Thank you for all your help during the whole year for the whole House.

The petition is from the residents of Higham Ferrers. Last Friday, I went to a school there that has a problem with safety, as the petition makes clear:

The Humble Petition of residents of Higham Ferrers in the Wellingborough constituency and the surrounding area.

Sheweth

That major concern is expressed about proposed developments near to Higham Ferrers Nursery and Infant School and Higham Ferrers Junior School which will pose a risk to the children attending these schools. Increased traffic along the adjacent service road will pose a threat to children and parents, who use this road as a safe area for both the dropping off and picking up of children. In addition many children use this road during the day as an access route to and from the school especially to the sports facilities. Hundreds of children will be affected by the proposed developments.

Wherefore your Petitioners pray that your Honourable House urges the Secretary of State for Children, Schools and Families to liaise with East Northamptonshire District Council and Northamptonshire County Council to ensure a safe environment for children using the schools.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000302]

Teachers and Pupils (Physical Contact)

Motion made, and Question proposed, That this House do now adjourn.—*(Ian Lucas.)*

10.10 pm

Norman Baker (Lewes) (LD): I am grateful for the opportunity to raise in an Adjournment debate what I regard as an important matter. It arises from the oral exchange that took place on 30 June between myself and the Secretary of State for Children, Schools and Families, following my giving him a couple of examples of physical contact issues relating to teachers and children in their schools.

Let me reprise those examples briefly. One instance involved a little girl who had fallen over and injured herself in the playground and was clearly distressed, but the teacher felt unable to put her arm around her and comfort her as she would like to have done. For the child in question, that was a distressing and inexplicable situation. Someone whom she regarded as effectively a surrogate parent in the school situation was not comforting her, as she would have expected. The second instance, which is rather different, occurred when a young lad who was causing some difficulties for his teacher put himself under a desk in the school and refused to come out. The teacher felt unable to remove the child from under the desk. There he remained until his parents were called, completely disrupting the education of the rest of the class.

The Secretary of State for Children, Schools and Families said in reply:

"The common-sense thing would be for the hon. Gentleman to advise that school that there is no reason at all not to provide such comfort and support—whether the issue is about reasonable restraint or comfort. Of course teachers should be comforting children. Rather than raise the matter with me, the hon. Gentleman should go back to the school and tell its staff that they should have given that comfort and that they *should* do so in future."—[*Official Report*, 30 June 2008; Vol. 478, c. 988.]

That was the answer from the Minister's colleague, so I went back not just to that school, but all local schools to test whether those were isolated incidents or whether there was a more general problem. I wrote—in neutral terms, I assure the Minister—to all the schools in my constituency to ask about the matter and whether they thought there was a problem. Not all the schools replied, but 90 per cent. of those that responded indicated that they felt there was a problem, and gave me further instances of how that problem manifested itself. The Minister will understand that it is not sensible to reveal the names of the schools here, but if she wishes to have those names, I am happy to provide them subsequently.

One primary school head teacher wrote to me:

"We have the children for many hours a day and often have to pick up the pieces when there are bereavements, parental arguments/ separations/divorces that affect the children deeply. Many children trust us implicitly and to not be able to comfort a child is distressing for all concerned. Many teachers have said that they have refrained from contact due to the fear of unfounded allegations being made."

Another primary school head teacher wrote:

"Children have become aware of this issue and on some occasions put additional pressures on staff. We had at least four occasions in the last academic year when older children have told members of staff, 'You can't touch me', and, 'If you touch me, I'll tell my mum and she'll get you sacked', and even on one occasion"—this is the head teacher himself who was told this by a rude and defiant 11-year-old—that was his description—

"that if I kept him in at lunch time, he would tell his mum that I'd hurt him."

One secondary school head teacher wrote:

"The nature of investigations"

into assault allegations by children

"give the impression to others that staff are guilty",

because they are immediately suspended. The head teacher went on:

"Investigations can be long and tortuous; even when teachers are shown to be innocent after a long investigation, some mud sticks and their reputation may not fully recover—it is probably impossible to return to work unscathed by the experience."

I stress to the Minister that those are the words of head teachers. Another secondary head teacher wrote this:

"I asked a student, who had misbehaved, to leave a corridor. He made no effort to comply. I placed a hand on the back of his shoulder to guide him out of a door to which he responded by immediately phoning the police on his mobile telling them that he had been assaulted by the headteacher. Luckily for me there were many witnesses present."

There is a problem here that needs to be addressed. Another head talked about students who

"exploit teachers' vulnerabilities which undermines discipline."

Another said:

"This is an important issue and Ed Balls's answer"—

I quoted that to the Minister earlier—

"does not address the very real dilemma faced by teachers."

Ninety per cent. of respondents indicated that there had been such incidents in their own schools and they were happy to relay them and explain in detail what had happened on individual occasions. All of them said that there had been occasions when they believed that children had made unfounded allegations just to cause difficulties for the teacher, and all said that, had it not been for CCTV or witnesses who happened to be nearby, there would have been serious difficulty in refuting some of the allegations. Another head teacher said:

"I strongly agree that teachers refrain from contact, even when it may be appropriate, for fear of allegations."

I hope that the Minister accepts that there is a problem.

At this point, I should say that I am grateful to my local evening paper, *The Argus*, which has been very supportive of my campaign. In fact, it ran an editorial about how classroom disruption—it was referring to the lad under the table—

"puts the brake on everybody's progress."

It went on:

"When lessons are interrupted, all our children are learning is how much they can get away with."

That is a genuine concern; what we are talking about is not only protecting teachers, which is appropriate anyway, but protecting the children who behave properly, as most children do. They want to learn, but see the odd child misbehaving and getting away with it. I am not clear what message that gives, but I am sure that it is not appropriate.

I have raised the issue in writing subsequently with the Minister's colleagues. On 23 October, I had a reply from Baroness Morgan, who is in the Minister's Department. She said that revised guidance on the use of force to control or restrain pupils had been issued in

[Norman Baker]

November 2007; no doubt the Minister will refer to that. I have looked at that guidance, and let me say quite honestly that there is nothing particularly wrong with it; it is sensible and strikes the right balance.

I have also looked at the extensive physical contact guidance for school and other education staff offered by my own local authority, East Sussex county council. It is a big document, which all schools in my area have been given. Again, I do not have a problem with the content; the issue appears to be that the guidance itself is not enough. Notwithstanding the fact that the guidance may be sound, it is clear that teachers are not happy following it for fear of unfounded allegations. When such allegations are made, it seems that teachers are regarded almost as guilty until proven innocent; they are often suspended and have a cloud hanging over them. As a consequence, common-sense, sensible physical contacts, which in a logical world all of us would wish to see—comforting a child who has hurt herself, dealing with a child who is disrupting the whole class—are not being carried out, notwithstanding the guidance that would support such contact, because teachers are afraid of the consequences of following the guidance.

I want to draw that particular issue to the Minister's attention. I am not criticising the guidelines or the Government, but saying that there is a problem with teachers, who, from the evidence that I have seen, do not have confidence that if they follow the guidelines they will be supported in the event of being challenged. One of the ways to tackle the issue is for the Government to make it absolutely clear that when teachers are in the classroom or school, they are effectively in loco parentis.

The Minister may say that that is the position, but the reality is that in the case of the boy under the desk the teacher would not remove him but the parents were called to do so. In that teacher's mind, there was a difference between the power that he was able to exercise legally, or wisely, and the power that the parents could exercise. There should not be a distinction in those matters. The teacher should have the same responsibilities and powers as the parents when the children are in school. I am interested to know whether the Minister can confirm that that is the case and, if so, what she will do to reinforce it through guidance and information to our teachers.

The next issue is what happens when an allegation is made. I suppose that there are a minority of occasions when the allegation is well founded; one cannot deny that that may be so. However, I am absolutely sure that the majority of allegations made against teachers are not well founded, and in those circumstances it is wrong for teachers to be suspended and to have a cloud hanging over them while investigations take place and the police are called. I have lots of examples for the Minister of where the police have been called and have turned up and questioned teachers at great length. Let us think about the power trip that children are given when they call in the police and have teachers held before them answering questions—what an attractive proposition that is for certain young minds. That is inappropriate. There must be an assumption that, unless there is very clear evidence to the contrary, a teacher is probably innocent and should be allowed to carry on in their work. Obviously, if someone has witnessed something horrendous, that is a different situation, but in most cases a teacher should be presumed to be innocent and allowed to carry on. Children should not be given the power to have the teacher suspended or subjected to police investigation, sometimes very overtly.

I am concerned that we do not collectively do enough to support our teachers. I have encountered examples in my constituency—it is a law-abiding constituency, so if it is happening there it is happening elsewhere—of what sometimes happens when a teacher attempts to enforce discipline in a way that all of us in this House would think entirely appropriate. When they keep a child in for detention, the parents arrive and attack the teacher, sometimes physically, and sometimes in front of the children. There is a real problem with a minority of parents who, on occasion, do not support the teachers. I do not know what the answer is, I freely confess, but I recognise the problem, and we have to try to deal with it. If the Minister has something helpful to say, it would be very welcome.

Finally, I want to draw attention to an unfortunate compensation culture within our schools, which is part of the same problem. This is from an article in *The Argus* headed "£80,000 bill for Sussex school injuries":

> "A ten-year-old boy who pulled his hamstring at school was awarded more than £6,500 in compensation...Another pupil was given £4,200 for slipping on ice in the playground".

That kind of arrangement is not appropriate in our schools. All of us, when we were at school, went out in the playground, and no doubt we all slipped over on ice at some point. It is not appropriate to sue schools or for them to pay out £4,200. If we get to a situation whereby the children feel that they have power over the teacher in terms of the police and allegations that they can make, and power over the local authority in terms of being able to sue for costs, no doubt through their parents, we are creating a society full of people who have unrealistic expectations and will not adjust properly to the real world when they get outside school.

Not only in the interests of teachers, but in the interests of children, we need to do more than we have done. The Government have got their guidance right—I do not criticise them about that—but there is a problem, and if the Minister has some sensible suggestions to make I would be very pleased to hear them.

10.23 pm

The Parliamentary Under-Secretary of State for Children, Schools and Families (Sarah McCarthy-Fry): I congratulate the hon. Member for Lewes (Norman Baker) on securing this debate. It is obvious from exchanges in the House and correspondence that has been exchanged with the Department that he feels very strongly about the matter.

We want to ensure that every child has the best possible education and experience of childhood. They should not only have a world-class standard of education but feel happy, comfortable and secure at school. School should be a sanctuary where young people learn, confident in the knowledge that they will be safe, secure and looked after. Pastoral care in schools is extremely important. In that sense, it is entirely appropriate for teachers to be figures whom children can look up to, both for guidance and comfort and as guardians, while they are in schools. The example that the hon. Gentleman outlined in his

exchange with my right hon. Friend the Secretary of State, where a child had fallen over in the playground, is a case in point.

Clearly teachers should be able to comfort a child if they are distressed, as the teacher is the natural person for a child to turn to when they are at school. We can understand teachers' worries, but common sense must be applied. If a pattern emerges or if touching a child is gratuitous, clearly that is wrong. It is also risky to attribute being tactile to a personal teaching style or a way of relating to pupils. However, if a child is distressed, a teacher should be able to feel as though they can take reasonable steps to comfort them. The same applies if children are misbehaving.

School staff who supervise pupils have the statutory power to use force to prevent injury, damage to property or serious breaches of school discipline. If the risks posed by the child leave no viable alternative, teachers will in some cases need to use restraint. The teacher will need to exercise their judgment. Powers exist under the legislation covering the use of force and the power to discipline to enable teachers to take what action is necessary to maintain good order and the safety of themselves, other staff and pupils. The legislation has existed in its current form since 1998 and was re-enacted by section 93 of the Education and Inspections Act 2006.

On the whole, our teachers exercise good sense and judgment when dealing with such issues. There are only a small number of allegations of staff using excessive force—around 2,500 a year in a sector of well over 10 million students and 1 million staff. About 6 per cent. of all allegations are referred to the Crown Prosecution Service. But of course, any instance of excessive force or abuse is one too many and we must do everything that we can to guard against it. We want to make the recording and reporting of such incidents a statutory requirement for schools, so that there is a clear account of what happened, in order to protect pupils and teachers and so that parents are fully informed. We intend to legislate for that in our fourth Session education and skills Bill. Perhaps the hon. Gentleman will be a member of the Committee that considers that Bill, when we can explore those issues further.

I know that some have concerns that teachers will be left exposed to allegations and I am acutely aware of the devastating effects that false accusations can have on a person's career, family and health. However, those risks must be balanced against ensuring that children are safe in school. That is why we have rigorous checks for those working with children, from the earliest years right through school.

As the hon. Gentleman said, when allegations arise, it is important that they are dealt with as quickly, fairly and professionally as possible. We have been working on how to improve the handling of allegations, and in 2005 we issued guidance on how to handle cases in a more consistent and timely way. To support teachers further and to reduce the chance of such situations arising in the first place, we have published guidance to help clarify their position in circumstances that might call for physical contact.

We made it clear in the guidance that we issued in 2007, in "Safeguarding Children and Safer Recruitment in Education", that

> "It is not realistic to suggest that teachers should never touch pupils".

We issued revised guidance in 2007, entitled "The Use of Force to Control or Restrain Pupils", that includes many of the principles and much of the advice originally set out in the circulars for special schools. Non-statutory guidance, contained in "Safer Working Practice for Adults who Work with Children and Young People", was refreshed by our network of allegations management advisers in November last year. That guidance states:

> "There are…occasions when it is entirely appropriate for…adults to have some physical contact with the child or young person with whom they are working."

It also notes that

> "an action that is appropriate with one child in one set of circumstances may be inappropriate in another, or with a different child. Adults…should use their professional judgement at all times".

The Department's TeacherNet gives more direct advice to teachers to help them to develop that judgment, better assess difficult situations and make the right choices. The guidance deals with providing comfort to children, which has been mentioned, and states:

> "There may be occasions where a distressed pupil needs comfort and reassurance which may include physical comforting such as a caring parent would give."

It also covers the use of physical restraint and a range of related issues: dealing with complaints and allegations, post-incident support, staff training, and reducing the risk of such situations arising in the first place.

All our guidance is supported by specialist publications that discuss more specific issues, such as dealing with pupils who display extreme behaviour relating to a disability, and the use of physical intervention for pupils with severe behavioural difficulties. We plan to consolidate all our guidance on the use of force or physical interventions by school staff into a single document next year. When we have our consultations with our social partners, I shall try to establish whether we can work to ensure that teachers are able to act with confidence.

Norman Baker: The Minister has referred to a welter of guidance. It all seems very sensible, and I think that the consolidation into a single document will be useful, but the essential problem—which I have identified—is that, notwithstanding the sensible guidance, large numbers of teachers apparently do not feel able to act on it. Has the Minister any idea how to surmount that problem?

Sarah McCarthy-Fry: I should like to begin by exploring the research that the hon. Gentleman has done in his constituency. I must say that I have not heard of large numbers of teachers not feeling able to act on the guidance in other parts of the country, and we may need to establish whether that is the case. It is certainly unlikely that it is an isolated incidence, confined to the hon. Gentleman's constituency, but I should also say that when I contacted representatives of his local authority they said that they were not aware of any problems. Perhaps we simply need to bring the issue out into the open.

Our single document will take into account conclusions from the review of restraint in secure settings for children and young people, which will be published shortly. However, we are also focusing on the need to help pupils to manage conflict and resolve disputes themselves before they reach the point at which teachers must be involved.

[Sarah McCarthy-Fry]

The new secondary curriculum places a broader focus on emotional health and well-being, and allows more time for learning those wider skills. Programmes such as SEAL—social and emotional aspects of learning—are creating a whole-school approach to harmonious learning. That programme is fostering better relationships between pupils and teachers, helping students to recognise and manage anger and conflict in an appropriate way and to understand the feelings and points of view of others.

We also propose to make personal, social and health education a statutory part of the curriculum. Sir Alasdair MacDonald is currently undertaking a review of how we might implement that. As my noble Friend Lady Morgan said in another place,

"PSHE will help children and young people understand what is appropriate and what is not appropriate touching from adults and... will give young people the confidence and assertiveness to be clear about what they see as acceptable."—*[Official Report, House of Lords,* 12 November 2008; Vol. 705, c. 659.]

For learning to be truly effective, children need to feel safe, secure and happy at school, as well as receiving a high standard of education. No child should feel uncomfortable or threatened, and teachers should feel confident that they can manage situations in an appropriate and effective way, without fear of being penalised if the actions that they took were appropriate and absolutely necessary.

It is Government's responsibility to ensure that the systems are in place to make a pupil's education and childhood as positive and as safe as they can be. We take that responsibility very seriously. We have acted, and will continue to act, to keep students and staff safe, and to build the best possible education system and world-class children's services.

Question put and agreed to.

10.33 pm

House adjourned.

House of Commons

Wednesday 17 December 2008

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

UN Conference (Poznan)

1. **Mr. Peter Lilley** (Hitchin and Harpenden) (Con): What assessment he has made of the development outcomes of the UN conference in Poznan. [244084]

The Minister of State, Department for International Development (Mr. Gareth Thomas): Among the outcomes from Poznan were further agreement to tackle deforestation and the provision of resources to support it; secondly, the launch of an adaptation fund to help developing countries begin to deal directly with the impact of climate change; and thirdly, agreement that serious negotiations to agree a post-Kyoto framework should now begin in earnest in the run-up to next year's Copenhagen summit.

Mr. Lilley: I am grateful to the Minister for his reply. Given that the outcome of the Poznan conference represents a watering down of the commitment by European countries to prevent global warming or contributions to it from CO_2 and yet the impact of any global warming—we can see this even if we are not climate alarmist, which I am certainly not—will fall most severely on the poorest countries, which have contributed least to the problem, does that not mean that our obligation to help them to adapt to change is increased? Does the Minister agree that the adaptation fund of some €60 million agreed at Poznan was inadequate to the scale of the problem and the obligation we have to the poorest countries?

Mr. Thomas: I agree with much of the right hon. Gentleman's analysis, but not all of it. I do not think that Poznan represents a watering down of Europe's commitment. Indeed, the 2020 package agreed by Europe has helped to encourage a willingness among some of the larger developing nations, and indeed allies in other OECD countries, to negotiate seriously in the run-up to Copenhagen. The adaptation fund is just one part of the response that we need to help developing countries. I agree with him that more is needed, which is one of the reasons why, along with a number of other countries, we have commissioned a much broader piece of work in order to understand just how much additional finance, whether it be from the private or public sector, is necessary to help developing countries to adapt.

Mr. Andy Reed (Loughborough) (Lab/Co-op): Although I do not completely share the analysis of the right hon. Member for Hitchin and Harpenden (Mr. Lilley) on climate change, I agree that it is important that we play a leading role in ensuring that the developing countries that receive Department for International Development funding see it targeted at sustainable development. Does the Minister agree that programmes such as using hydrogen fuel cells for microgeneration are important for developing local projects in areas where there is no access to electricity in other forms? Will he ensure that every aspect of the work of the Government and the Department is sustainable in the long term to allow those countries to skip a generation in respect of such schemes?

Mr. Thomas: I agree with my hon. Friend about the huge potential that hydrogen fuel cells offer not only the British economy, but the global economy—including the developing countries, too. I recognise the particular expertise in my hon. Friend's constituency on the development of new renewable technologies. I say to him, however, that fuel cells are some way off providing a more immediate solution to developing countries, and there are a range of other renewable technologies that we can help developing countries to deploy. That is one reason why my right hon. Friends the Prime Minister and the Secretary of State have made available some £800 million, housed in the World Bank, leveraging other donor sources of financing to build climate investment funds to help developing countries to move on to a low-carbon path.

Andrew George (St. Ives) (LD): Given that 2008 represents the halfway point towards meeting the millennium development goals, why was there no discussion of that issue? We should bear in mind that according to the World Bank, the first millennium development goal—eradicating extreme poverty and hunger in the world's poorest countries—would cost an estimated £30 billion. That is a great deal of money, but it is about the same amount that Wall street and City bankers awarded themselves in bonuses last year. How does the Minister reflect on the abject failure of the United Nations to achieve the first of the millennium development goals?

Mr. Thomas: With all due respect to the hon. Gentleman, we are still some seven years away from the target date for achieving the millennium development goals and there are encouraging signs in many parts of the world that we will achieve both the top-line millennium development goal and a number of others. We are off track on a number of the goals. That is very true, but it is one reason why my right hon. Friend the Prime Minister initiated a high-level event at the UN in September to focus on what else we need to do to get back on track to meet the millennium development goals. The impact of climate change was very much part of that discussion.

Ann Winterton (Congleton) (Con): What effect will the UN climate change conference have on the provision of electricity to Afghanistan, bearing in mind that its one renewable resource, hydro power, cannot be fully utilised because the transmission lines cannot be protected?

Mr. Thomas: The hon. Lady raises a very good question about the general need to support developing countries in getting better access to energy in the first place—it is

a real challenge to help people get connected to electricity and other sources of energy—and in accessing low-carbon sources of energy. On her specific question about Afghanistan, we are in discussions with the Afghan Government about how we can help support them to develop more access to electricity and to other sources of energy.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): Oxfam has said that the Poznan conference

"exposed a shameful lack of progress"

on climate change. It is not entirely clear how much irony was intended by the Secretary of State for Energy and Climate Change in yesterday's written statement, in which he cited as the main achievement of the conference an agreement

"to accelerate the pace of negotiations".—[*Official Report*, 16 December 2008; Vol. 485, c. 107WS.]

Given the dismal experience of the Doha trade negotiations, does the Minister agree that a pattern has emerged of a lack of political will among the rich countries of the world, the cost of which is being borne by the poorest people in the world? Is he satisfied by the amount of progress made at Poznan, and if not, what will his Department do now to ensure that we get to Copenhagen and get a deal?

Mr. Thomas: I do not share the doom-laden scenario that the hon. Gentleman has peddled. I think that significant progress was made at Poznan. When the talks were launched in Bali 12 months ago everyone was certain that it would be at least two years before a deal was reached on climate change, but we have seen some of the key building blocks for tackling its impact in developing countries begin to be put in place, such as the adaptation fund that I mentioned earlier and action to tackle deforestation. The Secretaries of State for International Development and for Energy and Climate Change have announced a £100 million contribution to help tackle deforestation and to help with taking a series of additional steps in that regard. What the Government as a whole will do now is work with a range of partners, including G20 colleagues, to establish what further action we can take to increase appetite for the deal at Copenhagen that we all want to see, and build progress towards it.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): When I attended the Poznan conference last week, I was struck by the visible differences in negotiating capacity between the world's richest and poorest countries. Will the Minister examine ways of strengthening the ability of the poorest developing countries to participate in these vital but complex negotiations?

Mr. Thomas: The hon. Gentleman has made an important point about the need for the voice of developing countries to be heard in the negotiations. We are already helping them to ensure that their voice is heard, in the same way as we have during trade negotiations, and we will continue to provide that support. Through our country offices we are working closely with a range of developing countries, both on their domestic programmes to adapt to climate change and on their engagement in the actual negotiations.

Mr. Mitchell: I thank the Minister for his answer, but does he not agree that Britain could do more to help, for example through the Commonwealth? Will he consider again the advocacy fund suggested by my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), which would help the poorest countries to fight their corner in these crucial negotiations?

Mr. Thomas: As I have already told the hon. Gentleman, we are holding discussions with a range of developing countries about how we can help them to engage in the negotiations. We will have further talks with them through the Commonwealth and a range of other organisations. I would take his question a little more seriously if his party had not just announced its commitment to slashing public spending. That would potentially have very serious consequences for developing countries, not least in respect of their ability to adapt to climate change.

Zimbabwe

2. **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): What recent assessment he has made of the humanitarian situation in Zimbabwe; and if he will make a statement. [244086]

6. **Sir Nicholas Winterton** (Macclesfield) (Con): What assessment he has made of the humanitarian situation in Zimbabwe; and if he will make a statement. [244090]

The Secretary of State for International Development (Mr. Douglas Alexander): The humanitarian situation in Zimbabwe continues to deteriorate. Thousands have been hit by cholera and hundreds have died. Basic services have collapsed, and the health services can respond only because of the help that we and others are giving. Five million people need food aid, and more disease outbreaks could be on the way.

Mr. Crabb: Contrary to the delusional statements of Robert Mugabe, there is a real and ferocious cholera epidemic in Zimbabwe which is killing children and entire families at this moment. What steps is the Secretary of State taking to ensure that genuinely independent non-governmental organisations receive additional resources so that they can provide urgently needed humanitarian assistance? Will he also ensure that no British taxpayers' money goes into Robert Mugabe's corrupt central bank? Contrary to assurances given at the last International Development questions, United Kingdom taxpayers are supporting the Zimbabwean Government via the global fund.

Mr. Alexander: There is unanimity throughout the House about the scale of the outbreak. There are about 20,000 suspected cases of cholera, and there have been about 1,000 deaths. I have announced a package of support worth up to £10 million specifically to deal with cholera. We predicted that, tragically, this was a likely consequence of Mugabe's grotesque misrule of the country, and we had therefore already worked with other international agencies to stockpile the necessary resources on the borders of Zimbabwe. We continue to work with the United Nations and UN organisations including the World Food Programme, and I can assure the hon. Gentleman that those efforts to address the great humanitarian need are unstinting.

Sir Nicholas Winterton: The Secretary of State will know that extreme hunger and malnutrition are gripping that country. Save the Children estimates that it is feeding 700,000 people, and as the Secretary of State has said, 5 million people are starving. Cholera is spreading, democracy is dead and violence is now endemic in that country. Will the Secretary of State seek to persuade the Leader of the House to provide a debate in Government time on this crisis, so that Members on both sides of the House can express their views and say what action they believe the United Kingdom must take?

Mr. Alexander: I am always happy to pass on Members' concerns to the Leader of the House, and I will do so on this occasion. Of course, we recently had a foreign affairs debate in the Chamber, in which I understand that a number of Members raised the very real concerns felt in all parts of the House on Zimbabwe. The hon. Gentleman is right in recognising the scale of the hunger crisis now afflicting Zimbabwe. The estimate is that by the end of this month about 5.1 million people will be reliant on external food aid—this is in a country that has historically been seen as the bread basket of Africa. That figure alone should challenge not only the international community to continue its humanitarian efforts, but those within Zimbabwe who regard the current position as sustainable. We have been at the forefront of international efforts in calling for the will of the Zimbabwean people to be reflected in their Government, and we continue to make that case.

Mr. Russell Brown (Dumfries and Galloway) (Lab): How much of the humanitarian assistance being offered by the UK Government is available through partnership working with the Foreign and Commonwealth Office?

Mr. Alexander: I can assure the House that we are working very closely with both our diplomatic representatives in Zimbabwe and with colleagues in government. In recent days, I have chaired a Cabinet Sub-Committee, which both the noble Lord Malloch-Brown and the Foreign Secretary attended. Lord Malloch-Brown was in South Africa on Friday, holding talks with the President of the Republic of South Africa; the Foreign Secretary was in New York on Monday, engaged in further discussions at the Security Council; and I can assure the House that there is constant daily contact between the Foreign Office and the Department for International Development, as together we do what we can to address what is a dreadful situation in Zimbabwe.

Mr. Lindsay Hoyle (Chorley) (Lab): What Christmas message can my right hon. Friend send to the people of Zimbabwe who are starving and dying of cholera?

Mr. Alexander: The message is that the British Government will continue to provide food, drugs and any assistance we can to address the crisis afflicting their country, but that we also recognise that humanitarian support is not enough. Whether in the councils of the European Union, the Security Council or our discussions with regional partners, we will continue to make the case that the people of Zimbabwe need and deserve a Government who represent their will.

Malcolm Bruce (Gordon) (LD): Does the Secretary of State share my disappointment that so many of the leaders and so much of the media in southern Africa seem to regard the collapse of Zimbabwe and the outbreak of cholera as some kind of European plot, even though the situation is spilling over into their own economies? What can he do to ensure that they understand that resolving the crisis in Zimbabwe is essential not only for the people of Zimbabwe, but for the development of the entire region of southern Africa?

Mr. Alexander: As is so often the case, the right hon. Gentleman brings great authority to his observation on the regional consequences of the crisis that is contemporary Zimbabwe. It is the case that Robert Mugabe has repeatedly sought to portray this as some kind of conspiracy of neo-colonialism, when nothing could be further from the truth. The responsibility for the grotesque misrule of Zimbabwe rests squarely at the door of Robert Mugabe and those in his Government. We in the international community are clear that the strongest voices that can be raised for change are those of the people of Zimbabwe in alliance with regional partners. The cholera outbreak alone gives credence to the claim that if this issue is not addressed the regional consequences will be dire, and that is why we have been working so closely to encourage South Africa to speak up, as well as other regional partners, such as Botswana and other neighbours of Zimbabwe. We will continue to make that case to regional partners.

Alistair Burt (North-East Bedfordshire) (Con): Sadly, it seems clear that any end of the counterfeit President's rule in Zimbabwe will not come about through a negotiated process, and that it will probably come about through a sudden and dramatic event leading to chaos. Is the Secretary of State reassured that if that happens, contingency aid is ready to go to Zimbabwe immediately, because the people of that country will need help and support within hours, not days or weeks?

Mr. Alexander: First, it is, of course, a matter for the Movement for Democratic Change, which bravely stood up against the intimidation and thuggery that it faced in the elections on 29 March, to judge what is the best strategy to take forward. The possibility of a negotiated way forward was established in September, but tragically it appears once again as if ZANU-PF and Mugabe have rejected that way forward for their country. We continue to talk to regional partners and those within Zimbabwe who have the best interests of the people of Zimbabwe at heart, but we also have contingency plans in place so that if there is a credible prospect of recovery, we and other members of the international community will assist in that endeavour.

David Simpson (Upper Bann) (DUP): The recent cholera outbreak is only the latest humanitarian tragedy to strike Zimbabwe and its people. Does the Secretary of State agree that the greatest single positive action that would bring the greatest benefit to Zimbabwe would be for the curtain finally to be brought down on the years of the Mugabe regime and on its systematic rape of its own country and impoverishment of its own people?

Mr. Alexander: The British Government have been forthright in their view of the unwillingness of Robert Mugabe to allow the will of the people of Zimbabwe to be expressed in government. If I appear circumspect, it is for the reason that I gave earlier: that nothing would suit Robert Mugabe more than to be able to ignore the voices of his own people and others within Africa and somehow suggest that this was a British plot. That is frankly not the case; the people of Zimbabwe have spoken, including in the elections earlier this year. It is now for Robert Mugabe to recognise the clear voice that was raised for change within Zimbabwe.

Sir Alan Beith (Berwick-upon-Tweed) (LD): What hope does the Secretary of State have that help in dealing with cholera can get to those communities, both urban and rural, that are regarded by the Mugabe regime as most hostile to it? Would not the President's insistence that there is no cholera rank in most countries as a basis on which he should be removed from office and probably certified?

Mr. Alexander: First, on the scale of the cholera outbreak, it is affecting almost every part of Zimbabwe now. Tragically, there is no distinction between urban or rural communities; they are all increasingly affected. We are working closely with the World Health Organisation, and I can assure the right hon. Gentleman that the international community is doing the best it can to ensure that the response is being dictated by the epidemiology and the needs of responding to the disease, rather than by any political partiality of the regime in power at the moment.

Overseas Projects (Joint Strategic Priorities)

3. **Mark Pritchard** (The Wrekin) (Con): If he will hold discussions with the Secretary of State for Foreign and Commonwealth Affairs to agree joint strategic priorities for his Department's overseas projects. [244087]

The Secretary of State for International Development (Mr. Douglas Alexander): Whether in relation to international poverty reduction, conflict or climate change, the Department for International Development works closely with the Foreign and Commonwealth Office and other Departments. We also co-operate closely in implementing our strategies and delivering our programmes, particularly in fragile states and insecure environments.

Mark Pritchard: At a time when the Foreign Secretary is talking about peace and reconciliation in the middle east, why is the Department for International Development still funding some teachers in the Palestinian territories who do nothing more than teach discord, rather than harmony?

Mr. Alexander: In the past week, we have welcomed Prime Minister Olmert and Prime Minister Fayyad of the Palestinian Authority to the United Kingdom. Our continued support for the Palestinian Authority reflects the fact that in our dialogue with the Israelis and others there is a clear recognition that if the Annapolis process is to be taken forward, there needs to be a credible negotiating partner with whom the Israeli Government can negotiate. At the same time, we are keen to see basic services provided to what is often an impoverished population within the Palestinian Authority areas.

John Battle (Leeds, West) (Lab): In his discussions with other Departments, will the Secretary of State ensure that in the strategic priorities, the devaluing of sterling is taken into account, because it is in danger of undermining what has been an enhanced and immensely successful international programme? It is estimated that the value could be reduced by 25 per cent., and it is obviously crucial that the poorest in the world do not pay the highest price for the current economic crisis.

Mr. Alexander: Changes in levels of different currencies are only one of the aspects of the global financial crisis that are affecting developing countries. Those countries have also been vulnerable to changes in oil prices, in the availability of credit and in basic food supply. That is why we are working so hard to ensure that we reflect the contemporary vulnerabilities of developing countries and why we are committed to meeting the pledges that we have made in relation to international development spending.

Dr. Andrew Murrison (Westbury) (Con): To what extent does the Minister believe that the International Development Act 2002 has led to a misalignment of our overseas development effort with our overarching foreign policy goals? For example, he may be aware that the FCO dispenses aid to tackle the radicalisation of young men in Pakistan and Afghanistan, but that DFID refuses to get involved on the grounds that that does not constitute development.

Mr. Alexander: I believe that the 2002 Act enshrined in law changes that have been vital to the establishment of global leadership by this Government in the field of international development. I can assure the hon. Gentleman that we are working closely with our colleagues in the Foreign Office and in Afghanistan and other areas of the world, but if he is proposing that his party will tie the aid that was untied by this Government, break our commitments or change DFID from being a separate Cabinet-level Department, he might wish to discuss that with his Front-Bench colleagues.

John McFall (West Dunbartonshire) (Lab/Co-op): At a recent Downing street reception, the Prime Minister mentioned that in these difficult economic times we have to consider the people in the developing world. Will the Secretary of State reaffirm our commitment to the UN aid target of 0.7 per cent. of GDP and its maintenance through these difficult times?

Mr. Alexander: As recently as September, the Prime Minister reaffirmed his commitment to the goals that we have set in relation to international development. The World Bank has estimated that in the course of the last year 100 million more people have been pushed into poverty by the global economic crisis. That is why it is important not only for the British Government but for other international partners to meet their aid commitments. Given the slashing of public expenditure that the Opposition now anticipate, I hope that they will at least join us in making this commitment.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): The stabilisation aid fund was set up to help to deliver strategic projects in Iraq and Afghanistan. Despite the Secretary of State's commitment to transparency,

his Department appears either unwilling or unable to give details of projects completed to date. Can he reassure the House and set out the principles under which funds are allocated to projects from the SAF?

Mr. Alexander: The stabilisation aid fund is obviously reflective of its joint ownership by DFID, the FCO and the Ministry of Defence. It reports directly to the National Security Committee, chaired by the Prime Minister. In assessing applications to the fund, we work in close harmony with other Departments, and it is on that basis that allocations have been made. *[Interruption.]*

Mr. Speaker: Order. Could the House come to order? We are still on International Development questions.

South Africa (HIV/AIDS)

4. **Mr. David Burrowes** (Enfield, Southgate) (Con): What assessment he has made of the effect of recent political developments in South Africa on policy to tackle HIV/AIDS in southern Africa. [244088]

The Minister of State, Department for International Development (Mr. Gareth Thomas): There has been a marked change in language on policy to tackle HIV/AIDS in South Africa since the appointment of Barbara Hogan as the new Health Minister. We welcome in particular the launch of a major public awareness campaign on 1 December and the announcement of plans to scale up prevention of mother-to-child transmission services.

Mr. Burrowes: No doubt responsibility for the 10 wasted years of HIV denial, and its effect on some 1.5 million orphans, lies squarely on the shoulders of the South African Government, but what is the Minister's judgment on the Department's influence, given its significant presence in South Africa during those years and given that in other so-called middle income countries such as Brazil, Botswana and India the Foreign Office has taken the lead in the light of their epidemic HIV incidence? Are the prospects of influence better or worse?

Mr. Thomas: I agree with the hon. Gentleman to the extent that Barbara Hogan represents a breath of fresh air in South Africa. We are seeing an end to the culture of denial about HIV and AIDS in South Africa that is extremely welcome. We have sought to get behind the public awareness campaign that Barbara Hogan has launched, and the scaling up of mother-to-child transmission prevention services, by committing some £15 million in a new programme announced by the Under-Secretary of State for International Development, my hon. Friend the Member for Bury, South (Mr. Lewis), in a recent visit to South Africa.

Greg Mulholland (Leeds, North-West) (LD): Thirty-three million people in the world have HIV, yet only one in three has access to the medicines they need to keep them alive. The Minister knows well that one of the biggest problems is the cost of medicines. What progress has he made regarding discussions on the concept of the patent pool, whereby pharmaceutical companies would create generic copies and be paid a fair royalty so that people could access the medicines that they desperately need?

Mr. Thomas: The hon. Gentleman may know that under the TRIPS—trade-related aspects of intellectual property rights—agreement of 2003 there are arrangements for developing countries to access generic copies of drugs. We have sought to encourage that process. We need to see better access not only to first-line anti-retroviral drugs but to second-line and third-line anti-retroviral drugs to deal with the more complex strains that occur when people are developing a resistance to the drugs. We will continue to work with pharmaceutical companies and a range of other players to achieve that end.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [244069] **Mr. Brian H. Donohoe** (Central Ayrshire) (Lab): If he will list his official engagements for Wednesday 17 December.

The Leader of the House of Commons (Ms Harriet Harman): I have been asked to reply. As the House will be aware, my right hon. Friend the Prime Minister is in Iraq today. He will make a statement to this House on his return.

I am sure that the whole House will wish to join me in sending our profound condolences to the family and friends of Lieutenant Aaron Lewis, of 29 Commando Regiment Royal Artillery, who was killed in Afghanistan on Monday. To those who never shy away from danger and who never shirk from their duty, to the families who will be apart from our troops this Christmas and to those who have died in the service of their country, we owe an enormous debt of gratitude.

Mr. Donohoe: I thank my right hon. and learned Friend, and may I associate myself with those condolences?

At a time when the price of a barrel of oil has sunk like a stone, why are the energy companies charging the price that that they are for fuel? Surely it is time for more to be done by the Government and those associated with us to bring down the price. Will my right hon. and learned Friend assure me that she can make it possible for me to go back to my constituency and give the assurance that the Government are doing all they can to bring about lower energy prices?

Ms Harman: I absolutely agree with my hon. Friend. The energy companies must pass on the price cuts to consumers, both businesses and families. They must also treat all consumers fairly. If they do not, it will not just be Ofgem and the Competition Commission that they will have to worry about—we will change the law to force them to do it.

Mr. William Hague (Richmond, Yorks) (Con): I join the Leader of the House in paying tribute to Lieutenant Aaron Lewis, who was killed in Afghanistan on Monday. As she said, our thoughts are with his family at this desperately sad time.

We look forward to the Prime Minister's statement tomorrow about the withdrawal of British troops from Iraq, although we were surprised that since that news relating to national security was leaked by the Government

last week no one has been arrested. Across the House, we salute the work of the British forces in Iraq. They will have been there for more than six years, which is a deployment longer than the entire second world war. As we welcome the end of that deployment, is it not now finally time for the Government to establish what the whole nation expects to see—a full-scale independent inquiry into the origins and conduct of the war?

Ms Harman: I agree with the right hon. Gentleman's supportive words for the work of our troops in Iraq. We have had a number of inquiries into Iraq and the Prime Minister has said that there will be no further inquiries until our troops are all returning home. The Prime Minister will make a further statement to the House tomorrow.

Mr. Hague: Well, the troops are now going to be returning home and it is time for the announcement to be made. The Government have delayed for years the establishment of an inquiry. The learning of lessons that may be relevant to Afghanistan and elsewhere can no longer be delayed.

New figures this morning show a further rise in unemployment of 137,000. It is now at its highest level for 10 years and is obviously set to rise further. We have been pointing out that the big problem is that even viable businesses cannot get the loans that they need. Last week, we asked the Government to look again at the bank rescue package. The Chancellor announced on Monday one of the measures that we have been calling for. Will the Government now accept the urgent need to get money into the hands of the businesses of this country?

Ms Harman: I want to reinforce to the right hon. Gentleman that there is no delay in an inquiry. We have made it clear that, while our troops are still in Iraq, which they are, and doing their duty, we will not have a full inquiry into how they went in; we will not have that until after they return. We have to respect the fact that our fighting forces are still in Iraq. There is no delay.

As far as unemployment is concerned, it is always a terrible blow for a person to lose their job. That is why we are stepping up Government action with a £1.3 billion package to protect people who become unemployed. The package will help them to obtain the skills to get new jobs and it will also make sure that they do not lose their homes.

The right hon. Gentleman is right that small businesses are the lifeblood of enterprise and employment in this country. That is why we recapitalised the banks to stabilise the banking system, and that is why in January we will set up a new small business loan guarantee scheme. Although the figures are starting to show increasing lending to small businesses, some businesses are still having problems. That is why the national lending panel has been established.

Mr. Hague: But things are getting harder for households and businesses that want to borrow, not easier. This country has now been in recession for six months, and a leading Minister said this week that we are

"facing a recession deeper than any that we have known".

Is it not clear that the Government's policies have failed so far? People are losing their jobs by the hour, and the small business guarantee scheme to which the right hon. and learned Lady referred covers only one fifth of 1 per cent. of business loans. Do we not now need a national loan guarantee scheme of the kind that we have advocated, before more businesses go to the wall and many more tens of thousands of people are made unemployed?

Ms Harman: We are taking action to protect people who become unemployed. Do the Opposition back the £1.3 billion extra that we are putting into jobcentres? No. They have said that they will cut public spending, and they opposed our action to recapitalise the banks.

As far as unemployment is concerned, we agree that losing one's job is a terrible blow for every individual. That is why we are taking the action necessary—although unemployment is still about 600,000 lower than it was when we first came into office.

The Opposition's so-called national loan guarantee scheme is not a guarantee of anything to anybody. If it is not backed up by public money, it is not worth the paper that it has been press-released on.

Mr. Hague: This side of the House did not oppose the recapitalisation of the banks, so let us put that straight.

Will the right hon. and learned Lady confirm that, of the £158 million announced today to help unemployed people, £58 million has been taken from another programme that is already supposed to help train people? The other £100 million is exactly what she announced two months ago, the last time that she and I did Prime Minister's questions. That money has been announced before, which means that this is a reannouncement of a reannouncement—at Christmas time we are not meant to get only repeats, but that is all that we are getting from the Government today.

The Governor of the Bank of England himself said on Monday that there has been a

"further tightening in the supply of credit to households and businesses which is likely to continue...Additional measures...will probably be required to underpin lending to households."

This House will not sit for nearly a month. How many more people will lose their jobs while the Government dither about introducing the scheme? Why does the right hon. and learned Lady not tell the Chancellor to pull his finger out and introduce it?

Ms Harman: But the Conservatives would not back the £1.3 billion extra that we are putting into jobcentres to help people with retraining and job advice or, crucially, the money that we are putting in to back people up if they become unemployed so that they do not fear that they could lose their home. Not only are the Conservatives failing to back the action that we are taking to support people who become unemployed, but last week they announced a policy that would make matters worse. They said that at this crucial time they would cut public spending. If they cut vital public investment it will be devastating for the construction industry, jobs and the infrastructure of our country. First they said, "No action" and now they are suggesting action that would make matters even worse.

Mr. Hague: We are calling on the Government to take action; this is a say anything, spin anything, achieve nothing Government and we are calling on them to take action. The director general of the CBI said:

"Getting the credit markets working properly is much more important than the fiscal boost."

The CBI survey of distributive trades, released in the last hour, which is the key indicator of activity in the retail sector, and includes the 10 days after the VAT cut, shows the worst downturn in retail activity since records began—a massive thumbs down from the consumer. Is it not time for the Government to concede that the temporary reduction in VAT, universally derided at home and abroad, has not been the answer, and that getting credit moving to businesses would be part of the answer to this recession?

Ms Harman: I think that there are two responses that we should have to the very difficult economic circumstances. The first is not to talk down confidence and not to talk down the economy. The second is to ensure that as well as interest rate cuts we have a fiscal boost to the economy. Since we are talking about retail, that is why we are taking forward a cut in VAT and we urge the right hon. Gentleman to vote for it. That is why we are bringing forward extra cash help for pensioners from the beginning of next year. That is why we are bringing forward extra child benefit, to put more money in people's pockets, and why we will have a tax rebate to help 22 million people. We take action while all the Conservatives do is carp and criticise. For the right hon. Gentleman to face these big economic circumstances and say, "It is only down to interest rate cuts and we would put no extra money in the economy" would make a difficult circumstance a disaster.

Mr. Hague: What we are calling on the Government to do is to get the money to the businesses of the country. We cannot have lectures about talking down confidence from the Cabinet, one of whose members said this week that we are

"facing a recession deeper than any that we have known".

What is that if it is not talking down confidence? This country has been in recession for six months. The Government have achieved nothing except to let unemployment get worse and debt go up. We now have soaring unemployment, rocketing debt, good businesses going to the wall and heavy tax rises on the way. If this is the Prime Minister saving the world, God help us when he moves on to the rest of the solar system. How many people will have to lose their jobs before the Prime Minister justifiably loses his?

Ms Harman: We would rather have Superman leading our party than have a party led by a joker.

Hon. Members: More, more.

Mr. Speaker: Order. I think the Leader of the House wishes to continue.

Ms Harman: When it comes to party leadership, I happened to be having a look at the right hon. Gentleman's website, and I suggest that other hon. Members look at it. On williamhague.org.uk, it just says:

"William Hague…Leader of the Conservative Party."

The country faces unprecedented economic circumstances. There are uncharted waters ahead and there is economic uncertainty, but one thing I want everybody to be in no uncertainty about is that we will take the action necessary to stabilise the economy, to support small business, to support jobs and to protect people against repossession. Unlike the Conservatives, who simply say "No action" and then propose a bogus scheme, we will never say that unemployment is a price worth paying.

Hon. Members: More.

Mr. Speaker: Order.

Q10. [244078] **Judy Mallaber** (Amber Valley) (Lab): Last Sunday marked 90 years since women first voted in UK elections on 14 December 1918. Will my right hon. and learned Friend ask the Prime Minister to join us at the new permanent exhibition on the suffragette struggle, off Central Lobby, and so give a lead to other hon. Members to take their constituents and visitors, particularly school parties, and to stress to young women the importance of exercising their hard-won, democratic right to vote?

Ms Harman: I will recommend my hon. Friend's request to the Prime Minister, and I congratulate her on the work that she has done to bring the exhibition to the House. The important thing is not only to have more women in the House of Commons, but that we change the face and the agenda of the House of Commons, and we have done that with new Sure Start centres, with maternity pay and leave and with new laws to tackle domestic violence. She is part of making sure that we deliver for women in this country. We are not complacent; there is more to be done.

Dr. Vincent Cable (Twickenham) (LD): May I add my condolences to the family of the brave serviceman who died in Afghanistan?

When the Leader of the House last stood in at Prime Minister's questions, I asked her about the vicious spiral that was developing in the economy, with rising unemployment and a collapsing housing sector. Since then, it has been confirmed that housing starts this year are at the lowest level since Ramsay MacDonald led a Labour Administration in 1924.

Chris Ruane (Vale of Clwyd) (Lab): Were you a Member then?

Dr. Cable: Labour Members ought to remember, because they are in danger of repeating that history. The Leader of the House may not be aware either that, a few days ago, the regulator of the housing associations warned that six of the leading associations are in grave financial difficulty and in danger of collapse. What are the Government proposing to do about it?

Ms Harman: We are very concerned about the housing situation, and that is why we will bring forward capital investment, rather than cut it or postpone it. We will be backing up the Housing Corporation, and for those people who fear that a temporary fall in their incomes will cause them to risk losing their homes, we are making arrangements for them to be able to defer their mortgage interest payments, and those who lose their jobs will not have to wait 39 weeks to get their mortgage interest paid; they will be able to get it paid after 13 weeks. We are very concerned about housing, and we will do everything that we can to protect the housing market.

Dr. Cable: Basically, that was a complacent answer—does the Leader of the House not realise that the investment is not happening, because the housing associations are bust and the Treasury is imposing a crippling funding formula on them? The housing repossession policy is reaching fewer than one in 10 of people in housing arrears. Will she now give the same attention to the financial crisis in the housing associations as the Government are giving to the banks? Will she tell us which of them are in grave difficulty and what the Government are going to do to rescue them and to ensure that the public sector can play a role in kick-starting the moribund housing activity?

Ms Harman: We agree that the public sector has an important role to play in capital investment in the construction industry in the housing market. We took the action that we did on the banks so that they can be in a position to start lending again into the mortgage market and to stabilise the housing market for the future.

Q2. [244070] **Mr. Andrew Dismore** (Hendon) (Lab): Recently, a small group of people with learning disabilities and their support workers went to a karaoke night at the Bull and Butcher pub, Whetstone. The manager was hostile, made it clear that he did not want them there and harassed them until they left in distress. Does my right hon. and learned Friend agree that such an appalling case of discrimination and infringement of human rights demonstrates the need for both the UN disability rights convention and the Human Rights Act 1998, and the need to build on its protections, not to repeal it, as the Conservative party would do?

Ms Harman: I agree with my hon. Friend that discrimination against anyone is unacceptable and discrimination against disabled people has no place in our modern society. He is right to bring that matter to the attention of the House. I know that as an avid champion of human rights, he will ensure that justice is done for his constituents, and I can confirm that we remain proud of the Human Rights Act and stand by it.

Q14. [244083] **Mr. Nigel Waterson** (Eastbourne) (Con): Many pensioners will bear the brunt of this recession, but with interest rates heading towards zero, will the Leader of the House do something to tackle the nonsense whereby pensioners are assumed to earn 10 per cent. on their savings when it comes to calculating their entitlement to benefit?

Ms Harman: We are paying extra money to pensioners, with an extra Christmas bonus—*[Interruption.]* Well, I think that the extra winter fuel payment is important, the extra Christmas bonus is important, and bringing forward the increase in the state retirement pension to the beginning of the year is important. While we are in no way complacent about people's income in retirement, the single group of people who have benefited most in terms of their increased standard of living since Labour came into government has been pensioners, particularly single older pensioners.

Q3. [244071] **Laura Moffatt** (Crawley) (Lab): What does my right hon. and learned Friend think of the decision of Crawley borough—a Conservative-controlled authority—to reject the free swimming offer for young and older people? With the Olympics looming, and with a focus on health and well-being, does she believe that that decision is wrong? Santa will not be coming to Crawley this year.

Ms Harman: That is just another example of how the Tories do not believe in public services, even important public services. They should be jumping at the chance of free swimming, which is important for people of all ages, not only for leisure but for public health. I hope that Crawley council will take my hon. Friend's advice and think again.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Given that the troops have been in Afghanistan for more than seven years, and looking at the current situation, including the deeply entrenched forces around Kabul, would the Leader of the House care to speculate on whether the military battle is being won, and crucially, when does she anticipate that the all-important battle for hearts and minds will commence?

Ms Harman: We have always said that there is a development strategy, a political strategy and a military strategy. In that military strategy, as well as paying tribute to our troops fighting in the most dangerous circumstances in Helmand province, we recognise that this is a multinational force operating in Afghanistan. Of course, we recognise the political and development strategies as well as the military one.

Q4. [244072] **Mr. Brian Jenkins** (Tamworth) (Lab): May I ask my right hon. and learned Friend to pass on my thanks, and the thanks of many in this House and in our country, to everyone involved in last week's announcement on the upgrading of the armed forces compensation scheme? She will realise that that will make a massive difference to the quality of life for service personnel and their families. However, can she assure me that everything is being done with regard to the fixtures and adaptations that service personnel need to make a smooth transition when they return home from rehabilitation?

Ms Harman: I support my hon. Friend's welcome for the increase in compensation for those who have suffered injuries in service to their country—an increase of up to £590,000. In addition, that will be backdated to those who have been injured since 2005, and instead of waiting for them to contact the compensation scheme they will be contacted for their compensation level to be reviewed. He mentions the important question of adaptation. Those who are returning home will have high priority for adaptations in their homes.

Q5. [244073] **Mark Pritchard** (The Wrekin) (Con): This week, the Government abandoned their planned inquiry into the use of Snatch Land Rovers in Afghanistan and Iraq. Given the increasing number of improvised explosive device attacks, why are the Government still unprepared to give our armed forces the level of protection that they need, want and deserve?

Ms Harman: We are committed to doing exactly that. The Secretary of State for Defence has said that he will listen to and be advised by the military chiefs so that they have the full range of equipment that they need to support our troops in the field.

Q6. [244074] **Julie Morgan** (Cardiff, North) (Lab): Many of my constituents in Cardiff, North, have benefited from the opportunity to work flexibly that was introduced by this Government, who have recognised the stresses and strains of bringing up a family while having to go to work—something that has not always been recognised by the Opposition. Will the Leader of the House tell us when that opportunity will be more widely extended, and what the timetable is for doing so?

Ms Harman: I pay tribute to my hon. Friend, who has long championed the cause of families, and who has pressed for support for families who juggle going to work, bringing up children and caring for older relatives. People want to be able to earn a living and support their family, and that is why we introduced a right to flexible working—unfortunately, the Opposition opposed it—for families with children up to the age of six. I can confirm that from April, we will be increasing that right to request flexible working, extending it to all families with children up to the age of 16.

Mr. Richard Bacon (South Norfolk) (Con): Statutory arrangements for the improvement of the governance of the National Audit Office were to have been included in the constitutional renewal Bill, but as the future of that legislation is currently unclear, does the right hon. and learned Lady agree with the right hon. Member for Swansea, West (Mr. Williams), who has written to the Prime Minister on the issue, that it might be simpler and more sensible to have a separate, stand-alone Bill, that makes sure that the future of the National Audit Office is safeguarded? Will she talk to the Prime Minister—and to herself, in her capacity as Leader of the House—about that?

Ms Harman: I agree with the hon. Gentleman about the important work of the National Audit Office. He will know that in the Queen's Speech, we said that we would continue discussions and consideration of how we can improve and modernise the constitution.

Q7. [244075] **Dr. Nick Palmer** (Broxtowe) (Lab): Some years ago, I was able to persuade the then Minister to refuse support for a damaging open-cast mining project in Cossall in my constituency. Constituents there were extremely pleased with the move away from the Conservative policy of doing nothing and letting the project happen. I want to ask my right hon. and learned Friend whether it remains the Labour Government's policy to refuse support for open-cast mining where it would have a disproportionate impact on the environment.

Ms Harman: I can reassure my hon. Friend that there has been no policy change on open-cast mining, and I am sure that he will pass that message on to his constituents, who will continue to be happy with his work as their MP.

Q8. [244076] **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): In his speech to the Labour party conference in 1996, the Prime Minister said:

"we will not build the new Jerusalem on a mountain of debt".

Why have the Government changed their mind?

Ms Harman: One of the biggest misapprehensions that the Opposition have been peddling is on the question of debt, and I want to address that. When we came into government, our debt as a percentage of gross domestic product, according to the International Monetary Fund figures, was 43 per cent. We paid that off year by year, taking it down to 37 per cent. We acknowledge that now we need debt to rise; we do not resile from that. If debt is not allowed to rise, and we cannot take the action that is necessary to back up the economy, there will be even more debt in the longer term, as a result of the bills for failure and for unemployment benefit. How can the hon. Gentleman's party put forward proposals for a so-called national loan guarantee scheme while saying that it would cut public spending and not allow debt to rise? It simply does not add up.

Q9. [244077] **Mr. David Crausby** (Bolton, North-East) (Lab): Will my right hon. and learned Friend make sure that pressure is exerted on private water companies, which are imposing new surface water charges on churches, and treating them as if they were businesses? If those companies are not prevented from applying those unfair charges, which amount to thousands of pounds per church, they will be responsible for the closure of places of worship across England and Wales.

Ms Harman: My hon. Friend raises a point that has been made by a number of hon. Members; indeed, the matter has been raised with the Church Commissioners. I know that my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs is reviewing the situation, and I will ask him to write to my hon. Friend, as well as to the Church Commissioners.

Q12. [244080] **Mr. John Leech** (Manchester, Withington) (LD): In west Didsbury, Lancastrian school is to lose its secondary provision, and Ewing school, which has won awards for inclusion, is earmarked for closure. Those schools provide top-quality teaching and learning for children with physical incapacities and speech and language disorders, who cannot be educated in the mainstream. Will the Leader of the House join parents, teachers, local residents and me in urging the council to reject those unpopular and unnecessary plans?

Ms Harman: The question of local school organisation is a matter for the local education authority, but I will draw the hon. Gentleman's comments to the attention of the Secretary of State for Children, Schools and Families. I hope that the hon. Gentleman will welcome the fact that in his area there has been a very big investment in teaching and in school buildings.

Q11. [244079] **Mr. Adrian Bailey** (West Bromwich, West) (Lab/Co-op): The Building Schools for the Future programme is vital for improving the educational prospects of young people in my constituency and for sustaining and maintaining the construction industry at an extremely difficult time. Can my right hon. and learned Friend tell me what steps are being taken to accelerate that programme?

Ms Harman: My hon. Friend makes a fundamental point that the refurbishment and rebuilding of schools is not only important for education, but vital to keep jobs flowing in the construction industry. To cut back Building Schools for the Future now would deprive local communities of the improved schools, as well as being a devastating blow to the construction industry. That is why, far from doing that, we will bring it forward.

Speaker's Statement

12.31 pm

Mr. Speaker: Several right hon. and hon. Members have raised with me the matter of the search of a Member's office. The House has recently come to a decision that the matter should be considered by a specially appointed Committee. The House has also determined that the Committee must not in any way prejudice any police inquiry or any potential criminal proceedings. There is, therefore, not yet a basis on which to nominate that Committee, since consideration of criminal proceedings is still under way.

Pitt Report

12.32 pm

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): With permission, I shall make a statement on the Government's response to Sir Michael Pitt's final report on the floods of summer 2007.

Last weekend's flooding in the south-west, in which two people sadly died, reminds us of the ever-present risk that we face, and of the importance of Sir Michael's comprehensive and impressive report. In his 92 recommendations published in June, Sir Michael identified a need to clarify who is responsible for what; to ensure that the public have all the information and guidance they need; to work with essential services to assess risk and protect critical infrastructure; to have a clear recovery plan right from the start of any major emergency; and to establish the right legislative framework to tackle flooding. I can tell the House that the Government's action plan being published today supports changes in response to all his recommendations, but before setting out those changes I want to acknowledge the continuing effects of the flooding, as a second Christmas approaches.

The fact that most people are now back home, thanks to a great deal of hard work, will be of little comfort to those families who are still out of their homes, or who are living upstairs in them. Our thoughts are with them, and their plight reminds us of the toll that flooding takes not just on people's lives, but on their emotions, and just how difficult it can be to get things going again. That is why, working with local authorities and the insurance industry, we will continue to do all we can to help. My right hon. Friend the Minister for Local Government, to whom I pay tribute for the extraordinary amount of work that he has done to help people affected, announced last month further help for those families.

We have taken action in the 18 months since the 2007 floods. The Environment Agency has spent £5 million on repairing defences that were damaged. Forty-nine flood defence schemes have been completed, protecting 37,000 homes, from Selby in Yorkshire to St. Ives in Cornwall and from West Bridgford in Nottingham to Worcester and Hexham, the town whose newly built defences successfully protected it from significant flooding in September this year.

Since summer 2007, more than 78,000 more people have registered with the Environment Agency's telephone flood warning system; the total is now 280,000. All local resilience forums have been briefed on critical national infrastructure in their areas, and we have brought forward to 2009-10 £20 million of flood defence spending. That will mean an earlier start on those schemes, which, when completed, will protect more than 27,000 homes from flooding and coastal erosion. In total, our £2.15 billion investment in flood defence over the three years to 2010-11 will protect an additional 145,000 homes across England.

The further steps that I am announcing today draw both on the £34.5 million that I set aside to implement Sir Michael's report and on funding from other existing budgets. We are creating a new national flood forecasting centre, bringing together staff from the Environment Agency and the Met Office. That will start operating in

April and will improve our ability to respond quickly, by providing better information and more detailed warnings directly to emergency responders.

Having previously decided that the Environment Agency will take on a strategic overview for all forms of flooding, I am today announcing that local authorities will be responsible for ensuring that arrangements are in place to assess and manage local flood risk from all sources, including surface water. In two-tier council areas, that responsibility will rest with county councils, but we will encourage them to work closely with districts, internal drainage boards and others. I am increasing funding to local authorities by £15 million to allow authorities where the risk is greatest to take on that new role straight away. Part of that will be for the development of surface-water management plans. I can announce that the first six local areas that have successfully bid for the funds are Hull, Gloucestershire, Leeds, Warrington, Richmond upon Thames and West Berkshire.

In addition, I am establishing a £5 million grant scheme, for which local authorities can bid to help people better protect their homes from the risk of flooding—for example, through fitting flood boards and air-brick covers. That help will be available where it is not possible to provide protection through community-level defences. I am also providing funding to help the Environment Agency improve flood warnings, including moving to an opt-out system for ex-directory numbers. Furthermore, I am putting money into improving our flood rescue capability, so that we can make the best use of the skilled personnel and boats available.

The national flood framework will help to ensure that all the organisations involved in responding to floods, including those responsible for critical national infrastructure, understand—and are fully prepared for—what they have to do. An outline framework has already been published and the consultation that we are launching will enable us to complete the job. Meanwhile, organisations are already taking action to identify and protect infrastructure.

On reservoir safety, we are doubling funding for inundation maps for all the country's larger reservoirs and we are providing support for local resilience forums to prepare reservoir emergency plans. We will be publishing a draft floods and water Bill for pre-legislative scrutiny in spring next year to deal with those of Sir Michael's recommendations, including clearer roles and responsibilities and strengthening reservoir safety, that require primary legislation.

On Monday, I informed the House that we intend to transfer to water and sewerage companies private sewers and lateral drains that connect to the public system. That was welcomed by Sir Michael, and it will release many householders from a liability that they often do not know they have until something goes wrong and they face a hefty bill to sort it out. The transfer will take place from April 2011. Finally, we are establishing a Cabinet Committee to oversee work on flooding. Sir Michael will continue to be involved in reviewing progress.

The House knows that we can never eliminate the risk of flooding, particularly as climate change takes hold, but we are all determined to learn the lessons from what has happened and to be better prepared in future. All of us—the Government, local authorities, emergency and other services, local communities and individuals—must take flood risk seriously. This report, and the steps that we are taking, will help us to do so and I commend them to the House.

Mr. Peter Ainsworth (East Surrey) (Con): I thank the Secretary of State for his statement and repeat my thanks to Sir Michael Pitt and his team for the excellent work that they have done. I also commend the work of the Environment, Food and Rural Affairs Committee, chaired by my right hon. Friend the Member for Fylde (Mr. Jack), who has made a useful contribution on these issues.

The Secretary of State is entirely right to acknowledge the human cost of flooding. I am sure that the whole House will wish to send condolences to the family and friends of those two people who tragically lost their lives over the weekend. Anyone who has met people whose homes and businesses have been destroyed by floods knows only too well that there is often a lasting, less visible, but none the less real, emotional impact on top of the physical disruption that people suffer. Some things, such as personal possessions, simply cannot be replaced by insurance. Can the Secretary of State confirm that hundreds of people are facing a second Christmas out of their homes as a result of the floods of 2007? Why have the Government not published monthly summaries of the number of households displaced, as Pitt recommended? Is it because they are embarrassed about the rate of progress?

There are, of course, aspects of this statement which we welcome, particularly the establishment of the national flood forecasting centre, which seems an eminently sensible way to proceed. I cannot help but observe, however, that progress in this area is glacially slow. After three years of announcements and statements of good intentions, our country is still acutely vulnerable to flood risk. The number of homes at risk from flooding has increased by 20 per cent. in the space of a few years. Some 43 per cent. of flood defence projects have been delayed, and more than half are not in their target condition. Additionally, 6 per cent. of hospitals, 15 per cent. of ambulance and fire stations and 15 per cent. of power stations are at risk from flooding. When will the natural hazards team, which is responsible for identifying risks to national infrastructure, complete its assessment? Is it not extraordinary in view of the risks involved that that work has not already been done?

I have to say that the Government's approach to this issue has been lackadaisical. In 2005, the Government knew that there was a problem and promised to put it right. Then they announced that the Environment Agency needed to have the strategic overview of flooding. Today it seems that local authorities will be made responsible. There is still uncertainty about who is in charge. We know the gravity of the risk, and have a wealth of recommendations on how to move forward. Pitt called for strong national leadership if his recommendations were to be implemented. Since when was dithering a feature of strong national leadership?

Can the Secretary of State confirm that all of Pitt's urgent recommendations have been implemented? Does he agree that his statement is no substitute for legislation? The Pitt report called for a "rapid implementation" of the floods and water Bill. Will he confirm that, as a result of his announcement today, there is no real chance that the floods and water Bill will make it on to the statute books before the next general election?

[Mr. Peter Ainsworth]

There is a sense that the Government are shunting the problem away, beyond the next election, on to local authorities. I note, however, that the Secretary of State has announced additional funding for local authorities, which must be welcome. Can he confirm where that money is coming from? Climate change will only increase the frequency and severity of flooding. As the Stern review pointed out:

"Adaptation is the only response available for the impacts that will occur over the next several decades before mitigation measures can have an effect."

My chief concern today is the slow progress that the Government are making in their response to these urgent issues.

Finally, some 2.3 million homes are at risk of flooding. It is essential that we do not add to that number, so will the Secretary of State join me in calling for a clear presumption against building on floodplains?

Hilary Benn: I echo the words that the hon. Gentleman expressed about the impact on individuals and businesses. When flooding happens, it is devastating. I can tell him that about 1,000 households are either out of their homes or living upstairs, and of those, 118 are living in caravans. The number is coming down by about 100 a week. We make an assessment every two months.

I fundamentally disagree with the hon. Gentleman's assessment of what has happened in the past 18 months. Protecting 37,000 homes since summer 2007 cannot, under any measure, be described as "glacially slow" progress. As he is pressing for faster progress and given that Her Majesty's Opposition have indicated that from 2010-11 they will not be committed to the Government's spending plans, a lot of people would like to know—he might not be able to say today—what their stance is on flood defence investment, because we are all waiting to hear.

Next, there is no uncertainty, because the steps that I have announced today and the action that we have already taken are all about people getting on with the task in hand, without waiting for the floods and water Bill, which we will publish in draft form, as I have indicated. Saying, "That's what you've got to do," to the Environment Agency and, "This is what you've got to do to deal with the problem of surface water," to the six local authorities that will start the mapping in the areas that were affected is not about waiting to change the law to require that action; it is about getting on with the job now. Then we will look at the changes that are needed subsequently. The same applies to the mapping of the risk from reservoirs. We are getting on with the job. We are not waiting, but we will change the law as necessary.

As I indicated to the House when I made my statement in the summer, we have made good progress on implementing the urgent recommendations. Incidentally, the latest figures for people out of their homes are from mid-November, so there will have been further progress and a reduction in the numbers since then.

The funding that I am making available is from funding that I set aside and which I told the House about in the summer for implementing Pitt's recommendations. As for not adding to the problem, I agree with the hon. Gentleman, which is why the Government have strengthened the planning guidance not once, but twice. PPS25 is absolutely clear about the responsibility on local authorities when they take decisions to grant or not grant planning applications; and, at a practical level, we have already implemented changes to the planning rules on paving and concreting over front gardens.

Mr. Parmjit Dhanda (Gloucester) (Lab): I welcome my right hon. Friend's commitment to ensuring that Gloucestershire is part of the pilot project on surface water. That will be welcomed by residents in Barton and Tredworth in my constituency, which were flooded at the weekend. May I also urge him to continue the work on flooding with my right hon. Friend the Minister for Local Government? We know that removing Whaddon, which lies in the constituency of my hon. Friend the Member for Stroud (Mr. Drew), from the regional spatial strategy, which is likely to be published in the coming days, will make a huge difference to surface water in Gloucester. That surface water has to go somewhere and at the moment it largely goes to that area in Whaddon.

Hilary Benn: I pay tribute to my hon. Friend for the huge amount of work that he did, as did many hon. Members in all parts of the House, in the wake of the flooding. I remember the conversations that we had at the time. The whole purpose of the surface water management plans is to get all the people who have responsibility for the water—where it goes and where it ends up—to see how they can better deal with it when large amounts of rain fall and to ensure that it can be taken elsewhere. That means dealing with a legacy of 200 years of drains and culverts that were not designed for the kind of rainfall that we have seen and for the climate change that is coming—the hon. Member for East Surrey (Mr. Ainsworth) is right about that—and planning who is going to do what as a result, and, at the same time, taking the right decisions on planning and providing places where the water can go when new developments are made. Designing sustainable drainage systems into development is a way of avoiding adding to the problem.

I wish Gloucestershire all the best in that work. May I commend Gloucestershire on the excellent booklet that has been published for residents? It is full of the most useful guidance and information. It is a model of its kind and I hope that other local authorities will follow it.

Tim Farron (Westmorland and Lonsdale) (LD): I pay tribute to all those who have worked so hard to prevent flooding, mitigate its effects and provide support to those affected, not just in the summer of 2007, but in the 18 months since, and express solidarity with those who continue to suffer as a consequence of flooding.

In thanking the Secretary of State for his statement, I welcome the announcement of the action plan and the national flood forecasting centre, and the announcement that the Environment Agency will take on strategic overview responsibilities. Also, the announcement earlier this week that liability for private sewers will be passed to water companies is extremely welcome.

However, as we receive the statement on learning the lessons from the 2007 floods, many of us are working alongside our constituents who are still picking up the pieces following the floods of autumn 2008. That raises

the question why the Secretary of State has taken so long to come to the House to give us a statement on a report that called for immediate action six months ago. Many incidences of flooding could have been avoided, had there been clarity about who was responsible for flood risk management at different levels. How many people have been adversely affected in the six months since the report was published, during which time the Government have failed to act? How many households and businesses have suffered this year because of the Government's failure to implement the recommendations more quickly?

Furthermore, recommendation 86 in the report proposed the immediate establishment of a Cabinet Committee. We welcome the announcement today that that is going to happen, but will the Secretary of State tell us whether he thinks that waiting six months constitutes immediate action? As Scotland already has its own Flood Risk Management (Scotland) Bill in progress, why is this House being offered only a draft Bill, with subsequent legislation some way off?

Will the Secretary of State tell the House how many of the 92 recommendations in the Pitt report he has already been able to implement? Will he expand on his plans for the establishment of a national flood forecasting centre? Will he also confirm that many instances of flooding this autumn have occurred because the lines of communication have still not been corrected? Is not that further evidence that the Government's casual approach to the implementation of the report has cost many people dear? Does he accept that even a small improvement in the lines of communication could make a huge difference to those on the front line? Even half an hour's advance warning of a serious flood risk could allow householders and businesses to take vital action to safeguard their property and protect themselves.

Will the Secretary of State also comment on the backlog in flood relief works in many parts of the country? Can he give assurances to residents and businesses, such as those in the Windermere road area of Grange in my constituency, that the long-awaited flood relief scheme planned for their area will actually come into being in the near future? Does he agree that there is now a strong argument for front-loading investment in flood relief schemes?

Will the Secretary of State comment on the continuing granting of planning permission for building in high-risk areas, despite Pitt's recommendation for a strong presumption against such development, and will he now support a review of PPS25, to examine whether it is fit for purpose? Will he also take to task the insurance industry, which promised at the time of the floods that no one would go uninsured as a result of the flooding? Now that insurance policies are coming up for renewal, many insurers are refusing to cover flood risk. Will he also take action to ensure that speedy payments are made by insurance companies to householders and businesses?

Finally, will the Secretary of State comment on the concerns that many of us have about the regionalisation of fire control centres, given that that is highly likely to undermine the responsiveness of local fire crews to developing local situations?

Hilary Benn: I think that this is the first opportunity that I have had to welcome the hon. Gentleman to his new post from the Dispatch Box. I thank him for a little bit of what he said, but I must express sorrow that he did not seem to have listened to what I was saying or, more importantly, to have noticed the action we have been taking since the summer of 2007.

The hon. Gentleman raised a point about lines of communication in recent instances of flooding. If he, or any other hon. Member, has an example of something that did not go right or that they are worried about, will they draw it to my attention? I am determined that we should learn the lessons and try to get things right.

On early warning, one thing that has happened is the piloting of the extreme rainfall alert service, which I did not have time to mention earlier because there are quite a lot of things that we have done. When the hon. Gentleman has a chance to read the action plan that I am publishing today, he will see the answer to his question on that point. I should like to give the House an example. On 5 September, the Met Office forecast thunder storms and heavy showers in the south-west, and it put out one of those alerts. We have subsequently heard from Cornwall county council that the alert enabled it to pre-deploy the fire service, which, as a result, was able to rescue someone from their car at a time when the flood waters were rising by 1 ft every 20 minutes. That is a practical example of the measures that we have put in place, helping the emergency services to do a better job of protecting the public in those circumstances.

The hon. Gentleman mentioned bringing forward flood defence schemes, but he has just heard me say that we have already brought forward £20 million-worth. We are indeed front-loading flood defence.

On the insurance industry, the hon. Gentleman will be aware that we have worked hard with the Association of British Insurers on agreeing a new statement of principles to ensure that there continues to be insurance cover. That has been very important, although I recognise that, in some cases, premiums and excesses have gone up. However, it is as a result of our efforts that we have that agreement, and the principal factor that made that possible was the significant increase in flood defence expenditure.

John Battle (Leeds, West) (Lab): I thank the Secretary of State for the work that he has done on this matter, for the welcome statement today and, in particular, for the surface water management funds for Leeds, which was hard hit. In the heart of my constituency is the Farnley balancing reservoir, but it cannot cope. Every time there is a deluge, it overwhelms the local Farnley beck, which then floods all the homes around. In assessing the risk, we need to consider not only the mopping up but the underlying causes. I accept that they go back some years, but we will continue to have problems if we do not do that. Will those funds help to address that systemic problem?

Hilary Benn: They are intended to do that. I am aware of the case that my right hon. Friend has raised, and I understand that there is some dispute between Yorkshire Water and Leeds city council over who should take responsibility. However, the fact that Leeds will be one of the six local authorities to produce the first of the surface water management plans will mean that such issues can be resolved and that there can be clarity over who is responsible for doing what.

[Hilary Benn]

I should also like to say to the hon. Member for Westmorland and Lonsdale (Tim Farron) that we will review PPS25 early next year.

Mr. Michael Jack (Fylde) (Con): The Secretary of State's statement rightly underscored the crucial role of local authorities in co-ordinating a response to surface water flooding. That was a key finding in the Committee's report and in Sir Michael's inquiry. However, given that the weather events that led to the flooding that gave rise to Sir Michael's inquiry were of an unpredictable nature, how quickly will the remaining local authorities—besides the six mentioned in the statement—be able to take on those responsibilities? If Sir Michael's report is to be fully implemented, all local authorities should be co-ordinating their responses now, not waiting until some point in the future.

Hilary Benn: I want to acknowledge the excellence of the work done by the Environment, Food and Rural Affairs Select Committee in looking at this matter. This is a job for all of us to work on. I have announced the first six authorities today. The plan is to fund another 44 or so to complete that work over the next couple of years. We are going to do that in order, depending on where the risk is greatest. However, I take the right hon. Gentleman's point about the increasing unpredictability of the weather. In agreeing with Sir Michael's recommendations, we are saying clearly today that this is a responsibility for all of us, everywhere. All local authorities need to think about what they would do in such circumstances. During the summer, and subsequently, we saw the benefit of advance planning and of the emergency rescue services. By and large, those arrangements worked pretty well over the summer of 2007, and that was because people had got organised and because the Gold Command system worked.

Mr. Eric Martlew (Carlisle) (Lab): As my right hon. Friend will be aware, in January 2005, there was severe flooding in Carlisle. The flood defences are now being built, however, thanks to the good efforts of my right hon. Friend the Member for Scunthorpe (Mr. Morley), who I see is just leaving the Chamber. Is the Secretary of State sure that the private utilities are prepared and that they have learned the lessons? They had not done so after Carlisle, and there were also problems in the west country with losing water. Furthermore, once the flood defences are built, will my right hon. Friend put pressure on the insurance companies to bring down the premiums in the areas that have been defended?

Hilary Benn: My hon. Friend and his constituents know all about the devastating impact of flooding. He has been able to demonstrate how we have responded, and how we are trying to prevent further flooding in Carlisle. I want to give the House some practical examples in relation to the critical infrastructure. The National Grid has bought 1.2 km of temporary flood defences, which it is storing at a number of locations around the country. In the event of flood warnings being given, it will be able to use those defences to protect its assets. Indeed, defences have already been put around Walham and Castle Mead sub-stations. We have also issued new guidance to Ofwat, requiring water companies to consider vulnerability, and about £1 billion of investment is being proposed by companies in their draft business plans to increase resilience. Plans for protecting all national critical sites will be in place by the end of 2009.

We will continue our discussions with the insurance companies, because it is important that people are able to avail themselves of the cover.

Mr. David Heath (Somerton and Frome) (LD): I speak with experience, having been caught in my car in a flash flood on Saturday morning. Happily, my daughter and I escaped unharmed; we were luckier than Mr. Henry Collier, who sadly died in similar circumstances in Martock on Saturday.

Will the Secretary of State confirm whether the money available to authorities that face regular flooding, such as Somerset, will be given on a needs basis or will it be distributed according to a formula, which will almost certainly disadvantage a county such as Somerset? Secondly, has the right hon. Gentleman been in contact with his colleagues in the Department for Children, Schools and Families about these issues? The Countess Gytha school in Queen Camel in my constituency was flooded again on Saturday and it is a regular occurrence for that school. It seems to me that extra money is needed either to make schools like the Countess Gytha safe for the future or to reposition them somewhere where floods cannot reach.

Hilary Benn: May I also express my condolences to Mr. Collier's family? On money for local authorities, under the current year's revenue support grant, £87 million was already in the system for dealing with flood risk, although I gather that local authorities spent slightly more than that. The £15 million I have announced today will be allocated in order of priority to authorities where we believe the risk is greatest, particularly in respect of surface water management. The hon. Gentleman raises an important point about schools. If he would be kind enough to give me the details of the particular school he mentioned, I will indeed follow it up with my right hon. Friend the Secretary of State for Children, Schools and Families.

Mr. James Plaskitt (Warwick and Leamington) (Lab): May I thank my right hon. Friend for his announcement on private sewers, which will be most welcome in my constituency. He will know that parts of my constituency have suffered from chronic flooding problems—particularly the village of Cubbington, which has flooded about half a dozen times in the past few years. We have established a local flood forum to ascertain why it happens and who needs to fix it. It has made some progress, but it has stalled on the issue of who is responsible for remedying surface water problems. In his statement, my right hon. Friend referred to local authorities having responsibility for assessing and managing surface water, but is he clear that local authorities are also responsible for remedying surface water problems?

Hilary Benn: I am sorry to hear about the problems that my hon. Friend's constituents have had to face. In the end, given that there is a two-tier system in some places, we have to make it absolutely clear who has the lead responsibility, which is why we decided that upper-tier authorities should be primarily responsible. Councils need to talk to each other, as they do, and they need to work out how to allocate the responsibility, albeit that the upper-tier authority has the prime responsibility to ensure that allocation. It is about getting together all

the people who have responsibility for all the different bits and pieces—including some private owners, as people do not always know who owns a culvert that might cause a problem if it is blocked and there is a lot of rain—and sorting the problems out. We want to make it clear that local authorities have a lead responsibility for sorting them out; that is what people want.

Angela Browning (Tiverton and Honiton) (Con): The Secretary of State will be aware that on 30 October the small town of Ottery St. Mary and many surrounding villages in my constituency were flooded at 2 in the morning, with 4 in of rain coming down in an hour and 3 ft of hail, which was still sitting there two days later. My own home and those of my neighbours were flooded for the second time in 11 years; we all hope to be back in by Easter. It is the most appalling experience to go through.

May I ask the Secretary of State about flooding in rural areas? Experience has shown that it is often minor watercourses, not necessarily the main river that flows through towns, that behave in ways that no one expected and often cause the damage, turning lanes and roads into rivers. As well as looking into the run-off from buildings, has the right hon. Gentleman had a chance to study run-off from land and consider farming practices, for example? The relevant boxes that need to be ticked are often left unticked in rural areas because only small clusters of properties are affected, so has he thought of anything further that can be done to mitigate flooding problems in rural areas?

Hilary Benn: The hon. Lady raises an important point, and I am sorry to hear about what she and her constituents have experienced. I discussed this particular event with the head of the Met Office, as even with the extreme rainfall alert system in place, this event was so specific and localised that, as the hon. Lady will know, it was not picked up by it. We could perhaps use the hon. Lady's particular example as a test case, and if she comes to see me with further details, we can look to see whether the present structure will be able to pick up that sort of problem. I am conscious that when everybody thought about surface water flooding in the summer of 2007, they thought of Hull because so many people were affected. The hon. Lady, however, is absolutely right that it happens on a much more localised basis in many parts of the country. That provides another argument for getting all those with responsibilities, including landowners, together to see what they can do to reduce the risks in those circumstances.

Martin Salter (Reading, West) (Lab): May I say that my constituents will think it a bit rich to hear Conservative spokesmen complaining about building on the floodplains when it was the Conservative county council that tried to build over Kennet meadows in south-west Reading? I applaud the Secretary of State's decision to sort out the archaic system of private drains and sewers, which causes so many problems for residents of the Haddock estate in my constituency. I also welcome the additional funding for the West Berkshire council, which desperately needs help to sort out the management of surface water because that was what caused the vast majority of the flooding in my area in 2007.

Hilary Benn: I am grateful to my hon. Friend for his kind words. What we have done on the sewer transfer is effectively to create a sort of national insurance scheme. Individual householders, as Members will be aware from specific cases, can often suddenly realise, "Heavens, I did not realise that I was responsible for that". It is a sensible step to have taken. We looked at West Berkshire's proposals and decided that we would fund them. Local authorities have the responsibility to deal with surface water flooding, including from minor watercourses.

Mr. David Heathcoat-Amory (Wells) (Con): If the heavy rain of July last year had fallen slightly further south, the Somerset levels, which are prone to flooding in any case, would have been catastrophically affected. There was severe local flooding last week. Is the Secretary of State aware that a contributory cause of this vulnerability is the failure of the Environment Agency properly to maintain the rivers for which it is responsible in Somerset? Will he have a word with the Environment Agency to make sure that it carries out proper and regular dredging and removes potential obstructions? Will he ensure that the agency's discharge of its environmental responsibilities is not at the expense of its drainage responsibilities?

Hilary Benn: I am grateful to the right hon. Gentleman for raising this case, which I know engenders a great deal of debate in many parts of the country. The Environment Agency is acutely aware of its responsibilities for dealing with flooding. Sometimes, however, clearing out a channel and making it even wider may speed up the rate at which the water ends up in another place, so the operation is not always as straightforward as it might appear in the first instance. If the right hon. Gentleman would be kind enough to drop me a line with further details, I would be happy to take up his particular case and pursue it with the Environment Agency.

Paddy Tipping (Sherwood) (Lab): It has been a long campaign to get private sewers adopted, and I am delighted that the Secretary of State has taken that decision. The real work now is to ensure that things happen on the ground after 2011. Secretaries of State can be assured that Nottinghamshire county council will work with district councils in the county to tackle surface water draining problems—but they will need resources to sort out problems in villages such as Woodborough, Lowdham and Lambley.

Hilary Benn: I am very glad to hear from my hon. Friend that this work will be done and that the council will pursue it with great vigour. I wish him and all others working on the project every success.

Martin Horwood (Cheltenham) (LD): I appreciate much of the Secretary of State's statement, particularly where it relates to householder liabilities for private drainage and the review of planning policy statement 25, which is very welcome. I hope that the right hon. Gentleman tells the planning inspectorate that that document is now up for review. I appreciate the funding that has followed the right hon. Gentleman's interest in Cheltenham and the work on flood alleviation schemes in my constituency. However, at a time when it is difficult enough for people to sell their homes and sustain their businesses, will the Government make an absolute commitment to prevent insurance companies from offering cover but then excluding flood risk—even when people have paid for flood resilience work on their

[Martin Horwood]

properties—or imposing wholly unreasonably premiums, sometimes running to tens of thousands of pounds? In my book, that is not really insurance.

Hilary Benn: If that is what is going on, we will take it up with the insurance companies.

The hon. Gentleman mentioned people having flood resilience work done on their homes. It seems to me very sensible to have such work done when a home has been flooded, as part of the restoration. It may cost the insurance company a little more, but fitting flood boards, air brick covers and so forth will reduce the likelihood of a further claim. It is important for us to take action to help ourselves to protect our properties, and I can understand why householders with insurance policies would be more than a little miffed if, having taken such action, they could not obtain cover.

Mr. David Drew (Stroud) (Lab/Co-op): I thank my right hon. Friend for what he had to say, and particularly for the financial help that we shall be getting in Gloucestershire. As my hon. Friend the Member for Gloucester (Mr. Dhanda) said, we thought that we were going there again last Saturday, because there was quite serious flooding. With that in mind, will my right hon. Friend consider innovative solutions which, in many instances, will involve community self-help? The problem in my constituency is what I would call diffused flooding: the areas that are hit are randomly distributed, but they are hit very regularly. Dealing with it will involve money, but it will also involve considering how communities can come together to do a number of things to help themselves. I hope that that is one of the measures that my right hon. Friend will encourage.

Hilary Benn: I am happy to encourage all efforts to deal with the problem that anyone is prepared to make. The fact that my hon. Friend has described community self-help as part of the solution is very much in keeping with what Sir Michael Pitt said in his report. One of his most striking observations was that, although Government, local authorities, the Environment Agency and others should act, ultimately this was also a matter for individual responsibility, because we can all be affected and we do not know when flooding may come. I applaud the approach that my hon. Friend has advocated, and I hope to see more of it around the country.

Mr. Mark Harper (Forest of Dean) (Con): I am grateful for the Secretary of State's kind words about the excellent work that Gloucestershire county council has been doing in informing residents about how they can protect themselves. I shall ensure that it is fed back to the leader of the council.

The right hon. Gentleman mentioned surface water management plans. Obviously it is good that local authorities have that responsibility, but, given the number of different bodies involved—not just local authorities but water companies and private owners—one of the problems is getting them all to accept the responsibility. Can the Secretary of State confirm that until the floods and water Bill has become legislation, local authorities can draw up plans, but do not have power to enforce behaviour by those other bodies? Having such power would make the process of drawing up plans much more effective.

Hilary Benn: I agree, but we are not waiting for the powers that are needed to get on with trying to deal with the problem. Even in the absence of a formal power to require, it is possible to get members of the local community together in a room and say "A particular problem is this culvert here, and that is the person responsible." As Members will know only too well, there are many ways of encouraging change in the absence of legislation, and I am sure that Members will employ them in order to look after their constituents.

Mr. Fabian Hamilton (Leeds, North-East) (Lab): I, too, warmly welcome my right hon. Friend's statement and, in particular, the money for Leeds, which is one of the trial areas for the surface water management.

As my right hon. Friend will know, residents of the Wellhouses in my constituency are regularly flooded because of the overflow of Gledhow beck, which, further downstream, will affect his constituents as well. Can he confirm that, after 2011, Gledhow beck will be one of the areas transferred to public responsibility, and Leeds city council will be able to take over responsibility for it? Residents often have no idea when they move to the area that they are responsible for maintaining its banks.

Will my right hon. Friend also put pressure on Leeds city council to do something about the balancing lake at Roundhay park, which is often the cause of the huge amount of flooding in the Wellhouses?

Hilary Benn: I shall need to check whether Gledhow will be covered by the transfer arrangements. I think it will depend on the definitions, but I will pursue the point. As for my hon. Friend's second question, that is exactly what the council's surface water management plans are intended to identify.

I pay tribute to the work of the staff of Leeds city council. I think it fair to say that the council has a pretty good national reputation for its work on flooding. Following the efforts to protect the people who have been affected by the flooding of Wyke beck three or four times over the past four years, they have certainly noticed a difference. For instance, one of the pilot schemes involved the introduction of flood guards and other flood protection, which has helped to prevent their houses from being damaged in future.

Sir Alan Beith (Berwick-upon-Tweed) (LD): May I remind the Secretary of State that a great many people in Northumberland are still out of their houses following this year's floods, and many more feel that their houses are vulnerable and will remain so unless the Environment Agency agrees to changes in river management? Will he use his good offices to ensure that his own Department deals with the serious damage to the harbour at Amble, and also to persuade the Minister of State, Department for Environment, Food and Rural Affairs, the right hon. Member for Liverpool, Wavertree (Jane Kennedy) to deal with the issue of funding for the district, county and unitary authorities?

Hilary Benn: I believe that the new chair of the Environment Agency will visit the region tomorrow to see how matters have been progressing, and I shall be happy to take up the issues raised by the right hon. Gentleman with the agency.

Colin Burgon (Elmet) (Lab): I welcome the money provided for Leeds city council to draw up a surface water management plan. Will the Secretary of State use his considerable influence in our city to ensure that the Liberal-Conservative-controlled council speaks to people like me so that we can raise the issues affecting people living beside Kippax and Collingham becks, people in Methley living by the River Aire, and people in West Garforth? Will he assure me that he will use that power to ensure that they speak to me, and to other councillors?

Hilary Benn: It is very kind of my hon. Friend to say that I have the power to make that happen, but I hope that all local authorities—including Leeds city council—always talk to all Members of Parliament in their areas.

Paul Holmes (Chesterfield) (LD): The floods in the summer of 2007 affected four rivers in Chesterfield: the Rother, the Hipper, the Whitting and the Holmebrook. The Environment Agency moved quickly to draw up plans to prevent the worst two offenders, the Rother and the Hipper, from flooding again by introducing upriver catchment areas, but the Environment Agency has warned my constituents in the affected areas that it will be at least five to 10 years before Government money will be available to enable them to be built. Can the Secretary of State offer any hope of more urgent action, or is the Government's response to residents of areas such as Alma street in my constituency, and many others, that they should simply cross their fingers and hope that it does not rain for another 10 years, because otherwise they will be flooded again?

Hilary Benn: I have great sympathy with the hon. Gentleman's constituents who have suffered in the way that he has described. The Government's job is to ensure that we play our part by providing more funding for the Environment Agency for flood defence work, and that is exactly what we are doing. I think I had been in the job for about a week when I stood at this Dispatch Box and announced an increase of £200 million over the three years to 2010-11. It is because we have been putting in more money that we have been able to protect an additional 37,000 homes since the summer of 2007, and 145,000 homes will be protected by the end of 2010-11. We all have a responsibility to ensure that we argue the case for further investment in flood defence, because that is the only way in which we shall be able to help the hon. Gentleman's constituents.

Mr. John Grogan (Selby) (Lab): Following the comments of my hon. Friend the Member for Stroud (Mr. Drew), may I refer particularly to recommendation 45 of the report? It states:

"The Government should be encouraging more local communities to promote innovative schemes, including contributing towards the costs".

That has been done in the village of Elvington in my constituency, and there is a prospect of its being done in the village of Saxton. Should it perhaps be more of a priority for the Environment Agency, where possible, to provide technical advice and support for such schemes, as it is beginning to do in Yorkshire and the Humber?

Hilary Benn: That is a very sensible suggestion. I think it inevitable that communities and others will increasingly wish to participate in the carrying out of works, and in some cases contribute to the cost, on top of what is provided by Government expenditure.

My hon. Friend will be well aware of the benefits of big flood service schemes. Only yesterday, I saw a photograph of him sitting atop the defences at Selby that have been protecting his constituents.

Mr. Roger Williams (Brecon and Radnorshire) (LD): When homes and businesses are flooded, very often the first help comes from the fire and rescue services—I speak from experience as the cellar of my constituency office was flooded last summer—but I am told that the funding formula for the fire and rescue services does not include any flood work or the resources to do that work. The Secretary of State said in his statement that he was also putting money into improving our flood rescue capability. Does that mean that the fire and rescue services will now get real support for the work that they do, which is so valued during times of flooding?

Hilary Benn: I agree with the hon. Gentleman about the skill, expertise and, in some cases, bravery of our fire and rescue services in helping people when flooding strikes, and I am sure all Members would wish to applaud them for that. The fact is that a considerable number of fire and rescue services have built up their capability; they have bought boats and undertaken training, for example. The additional money I am now providing is to help ensure we make the best use of the assets, because there are quite a lot of boats around from various sources and we must ensure both that they are in the right place when they are needed and that there is the personnel with the training to use them. That is what we should focus our efforts on. Most people not unreasonably think that if they are in danger because of rising water and they ring 999, they can expect the fire and rescue service to come and help. That is what the fire and rescue service does—its overriding responsibility is to help people in trouble.

Helen Southworth (Warrington, South) (Lab): First, may I welcome my right hon. Friend's statement? It will give a lot of hope to those of my constituents who have had some very nasty experiences with flooding over the past few years. We have been working extremely hard to try to tackle the flooding that has taken place in my constituency, particularly in Great Sankey and Penketh, which has caused horrible experiences, sometimes for vulnerable people. That flooding has been caused by two things: in some cases, ineffective management of current water systems; and also the extensive building growth in Warrington over the past 20 years. Will my right hon. Friend make sure that there is effective information sharing and communication between the local authority, the Environment Agency and the utilities companies so that they can both manage current situations and plan for the continued housing growth that is due to take place in Warrington, as a designated housing growth area, over the next few years?

Hilary Benn: The single most important step we have taken to deal with the problem that my hon. Friend identifies is PPS25, because it clearly lays the responsibility with local authorities to take full account of flood risk in taking decisions. It gives the Environment Agency a statutory responsibility to be consulted—the agency is, after all, the expert. The experiences of my hon. Friend's constituents, and of the many other constituents who have been talked about today by other Members, reinforce

[Hilary Benn]

the importance of people getting themselves on to the flood warning system and of the practical change we are making to get more telephone numbers on the system, because if people get the phone call, the text or the e-mail—whichever they have asked for—they might be able to take upstairs the kinds of valuable possessions that have been mentioned, and they will not suffer quite as much as when they have been completely unprepared. We have a responsibility to get on that system; the number is 08459881188. If anyone is not on it, they should get on it, so they can get a warning if flooding threatens.

Lembit Öpik (Montgomeryshire) (LD): The source of the River Severn is in my constituency and settlements such as Llandrinio, Crew Green, Meifod, Bettws, Tregynon and Caersws have always lived with flooding. However, these communities are concerned that they could be deliberately flooded more often in order to protect larger conurbations downstream. Can the Secretary of State confirm that rural communities will not be sacrificed for the sake of towns and cities, and that we will instead find creative solutions that work for town and country alike?

Hilary Benn: We certainly do need to find ways of dealing with the problem in order to protect as many people as possible, but, as Members are only too well aware, in the end water is going to find somewhere to go. That is why understanding the likely path of that water and looking at the options for dealing with it is part of the process that we have now started and the responsibility that local authorities and others will take on.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): I warmly welcome my right hon. Friend's statement. I am sure he will recall that last year in both Barnsley and Doncaster in my constituency 5,000 homes were affected as a direct consequence of the bursting of the banks of the Rivers Dove, Dearne and Don. I certainly welcome the greater role local authorities will now play in flood alleviation, in the hope that they will be able to provide a more rapid response. However, will my right hon. Friend also look at trying to tap into the willing support from parish and town councils for their bigger metropolitan district councils in terms of methods of flood alleviation, even if it is only to provide more flood warnings?

Hilary Benn: I certainly would encourage the parish and town councils to get involved. The truth is that this is a job for everyone; and the sooner everyone gets on with it, the better we will be able to deal with it.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): My constituents in Kidlington, west Oxford, South Hinksey, north Abingdon and south Abingdon have been flooded by five or six tributaries of the Thames, and the Secretary of State was kind enough to visit some of those communities last year. Some of them have been flooded four times in the past nine years, and they are terrified each time that it rains that it might happen again. Therefore, can the right hon. Gentleman explain why the timetable for the adoption of private sewers appears to have slipped to 2011, and might it be possible to front-load some of the funding in the spending plan, which would enable extra schemes that cannot otherwise pass the threshold to be started now and also give a boost, as part of the fiscal stimulus, to the construction industry, which could usefully do some of the work next year, rather than in two years' time when some engineering firms may be out of business?

Hilary Benn: I do not think that the transfer of the private sewers will help the hon. Gentleman's constituents; it depends on the source of the flooding, and it will take time to deal with that. Some of the houses I visited when I came to his constituency would certainly benefit from some of the flood resilience works—we saw some homemade versions as we walked around on that occasion. We have, indeed, brought forward expenditure. The £20 million identified in the pre-Budget report is in addition to the increase in expenditure we had already put in place, and it will allow more schemes to start earlier so that protection is provided faster than would otherwise be the case.

Daniel Kawczynski (Shrewsbury and Atcham) (Con) *rose—*

Mr. Speaker: Order. The hon. Gentleman must be present to hear the statement before he questions it.

Points of Order

1.27 pm

Mr. Michael Howard (Folkestone and Hythe) (Con): On a point of order, Mr. Speaker. You responded yesterday to the letter written to you last week, signed by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), the right hon. Member for Birkenhead (Mr. Field) and me. In that letter, we asked you to give precedence to our complaint of breach of privilege in respect of the arrest of my hon. Friend the Member for Ashford (Damian Green). You have declined that request, which means the House does not have the opportunity to consider whether the matter should be referred to the Standards and Privileges Committee. I wonder, Mr. Speaker, whether you will be prepared to give the House this afternoon your reasons for declining that request?

Mr. Speaker: No. The right hon. and learned Gentleman knows well that I do not give my reasons. I have declined the invitation from him and his parliamentary colleagues, but I do not give reasons.

Mr. William Cash (Stone) (Con): Further to that point of order, Mr. Speaker. Am I right in saying that nothing you said in your statement earlier today implies that the entry and search in the precincts of the House by the Metropolitan police was lawful, as asserted by them, or that the Police and Criminal Evidence Act 1984 overrides article 9 of the Bill of Rights, which protects our constituents' confidential information, the national interest and freedom of speech in this House? To help to get to the bottom of all this and to protect those rights, I ask you, Mr. Speaker, to insist on the production of the Johnston report and that it be placed in the Library of the House. In order to avoid confusion on the question of criminal proceedings, will you be kind enough to do that?

Mr. Speaker: The hon. Gentleman knows that last night I explained to him that I only got word of this matter when I came downstairs. I promised to come back to him and to the hon. Member for South Norfolk (Mr. Bacon). That I have done, through a statement that I made less than an hour ago. I have made my position clear, and I cannot expand on that.

Simon Hughes (North Southwark and Bermondsey) (LD): Further to that point of order, Mr. Speaker. This is a separate point, but it is linked to both of your statements, which I heard and for which I am grateful, and to the points of order raised by the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) and the hon. Member for Stone (Mr. Cash). You have made the position clear about the Committee and about giving your permission for a motion on standards and privileges, but there is the remaining ring-fenced issue of the report to consider. I understand that the report, which the Met police commissioned from another police force, the British Transport police, has either been completed or is in draft and is about to be completed. Irrespective of procedures that have been decided on by two of our Select Committees or that may happen later in this House, may we ask you whether you would be willing at least to request before we break for the Christmas recess that the British Transport police chief constable or the acting commissioner of the Met police furnish us with that report, so that all those in this House who have jobs to do to inquire into what happened when the office of the hon. Member for Ashford (Damian Green) was invaded by the police can have the facts, as discovered and assessed by the chief constable of the British Transport police?

Mr. Speaker: This is not a matter before the House; this is a report that has gone from one chief constable to another. There is nothing to prevent the hon. Gentleman from requesting—

Simon Hughes: I am going to.

Mr. Speaker: Sorry, I did not pick that up. Did the hon. Gentleman say that he has requested the report?

Simon Hughes: I said that I intend to do that, but I was hoping that the authority of the Chair could assist.

Mr. Speaker: The hon. Gentleman does well on his own, without seeking assistance from me. I have set out what he should do. If he or any other hon. Member wants that report, they should ask the chief constable to produce it.

Mr. Kenneth Clarke (Rushcliffe) (Con): Further to that point of order, Mr. Speaker. Your ruling in respect of the Standards and Privileges Committee is, of course, entirely in accordance with the practice of the House; you have declined the request and, under your practices, you do not give your reasons. But I am sure you appreciate that it leaves us in an unusual situation, because there is a complaint, essentially, of a breach of privilege relating to the police entering these premises and the office of my hon. Friend the Member for Ashford (Damian Green). The Government have tried to set up one Committee of the House, which they have not, so far, been able to establish, and several Select Committees are inquiring into the matter, but the Standards and Privileges Committee is not empowered to discuss a rather serious matter of privilege. I wonder whether you would perhaps consider whether we should examine our practices and think of some other route by which the obvious Committee to consider this might, of its own volition, decide to conduct an investigation. It seems to me that the House is looking into this matter by every conceivable route apart from the obvious one, for which the Standards and Privileges Committee exists.

Mr. Speaker: There is nothing to stop the right hon. and learned Gentleman raising that matter with the Procedure Committee, because it is the one that would look at the points he raises. Let us cast our minds back to the situation on 3 December. I made a statement and the House then made a decision on the Monday following. I stated that I wanted a Committee to investigate the matter and to look into all the circumstances, but then the House came along and made a decision. I know the arguments about the fact that there was a small majority, but there have been smaller majorities in this House. But I serve the House and the House has made a decision—I am bound by that decision, as long as the criminal proceedings go on.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

SOCIAL SECURITY

That the draft Christmas Bonus (Specified Sum) Order 2008, which was laid before this House on 26 November, in the previous Session of Parliament, be approved.—*(Chris Mole.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

That the draft Child Benefit (Rates) (Amendment) Regulations 2008, which were laid before this House on 25 November, in the previous Session of Parliament, be approved.—*(Chris Mole.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

TRIBUNALS AND INQUIRIES

That the draft Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009, which was laid before this House on 26 November, in the previous Session of Parliament, be approved.—*(Chris Mole.)*

Question agreed to.

CONSOLIDATED FUND BILL

Motion made, and Question put forthwith (Standing Order No. 56), That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time.

Question put forthwith (Standing Order No. 56), That the Bill be now read the Third time.

Question agreed to.

Bill accordingly read the Third time and passed.

BANKING BILL (PROGRAMME) (NO. 3)

Ordered,

That the following provisions shall apply to the Banking Bill for the purpose of supplementing the Orders of 14 October 2008 and 26 November 2008 (Banking Bill (Programme) and Banking Bill (Programme) (No. 2)):

Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion one hour after the commencement of proceedings on the Motion for this Order.—*(Chris Mole.)*

Banking Bill

Third Reading

1.35 pm

The Economic Secretary to the Treasury (Ian Pearson): I beg to move, That the Bill be now read the Third time.

We had an interesting debate on Report last month, and I am grateful to everyone who took part in it and to the Members of all parties who have contributed to the debate as the Bill has passed through this House. We very much appreciate the continuing cross-party support for this crucial legislation, and I am grateful for the help and co-operation from all parts of the House in achieving the challenging timetable imposed on this Bill by the sunsetting of the Banking (Special Provisions) Act 2008 in February of next year. In particular, I thank those Members who served on the Public Bill Committee, and I am grateful for the good spirit and constructive approach that all sides took to those sittings. The Government have listened to a number of the arguments made, and I believe the Bill has been improved as a result.

These are challenging times for financial markets and economies across the world, and I believe that the Bill is a timely package of reforms to improve the UK's framework for ensuring financial stability and protecting depositors. The Government have taken decisive action to protect the UK's financial stability during this turbulent period, including measures to recapitalise and strengthen the UK's banking sector and provide support to institutions facing difficulties, but the need for a permanent strengthening of the legislative framework in this area has been clear.

As we have debated at length during the past few months, this legislation will provide the authorities with the tools they need to resolve effectively failing banks while protecting financial stability, depositors and taxpayers, and minimising the disruption to the wider economy. Other measures in the Bill will enable the Financial Services Compensation Scheme to make faster and more efficient compensation payments and will strengthen the Bank of England's role in financial stability, with a new objective for financial stability and enhanced tools for pursuing it.

Mr. Mark Harper (Forest of Dean) (Con): The Minister refers to the bank rescue package. When the Chancellor came before the House, he said that the implications on the public finances of that package were mostly temporary. Could the Minister set out for us which of those arrangements will have a non-temporary—a more permanent—impact on the public finances, so that the House is clear on that?

Ian Pearson: I agree entirely with what the Chancellor said to the House. The hon. Gentleman will be aware of the statement that the Chancellor made and the information that is available in government, which, if he looks at it, he will find provides him with the answers he seeks to the question he raises.

At this point, I should briefly mention the two additions to the Bill that my right hon. Friend the Chancellor signalled in his recent pre-Budget report. They will increase the legislation's effectiveness in allowing the authorities to deal with risks to financial stability and to safeguard London's competitiveness as a global financial

centre. First, they will extend the Treasury's powers under the special resolution regime to allow it to take bank holding companies into temporary public ownership in cases where the resolution of only the deposit taker or deposit takers within a banking group would not, by itself, be sufficient to prevent a serious risk to financial stability, public funds, or both.

The second addition is a response to the experience of the administration of the UK subsidiary of the failed US investment bank, Lehman Brothers—Lehman Brothers International (Europe). The Government propose to take a power in the Banking Bill to introduce, by secondary legislation and after a formal review, a new special insolvency procedure for investment firms that hold client assets or client money. The expert liaison group, which I set up earlier this year, will help the Government in this area. Lord Myners, the Financial Services Secretary, intends to table these amendments for discussion in Committee in the other place.

On 26 November, the Government Chief Whip in the other place set out how we intended to proceed with the Banking Bill in the current Session, with the support and agreement of the usual channels. The No. 2 Bill that was introduced in the other place yesterday is identical in every respect to the Banking Bill that we are considering today, and the procedure allows the other place an additional fortnight to consider the Bill, which I am sure hon. Members will agree is entirely to the benefit of all concerned.

As the House will be aware, the Banking Bill was carried over to the current Session and, if hon. Members consent today, it will complete its passage in this House and go to the other place tomorrow. At that point, the No. 2 Bill will be dropped and all further consideration in the other place will be on the Bill sent from this House today.

Miss Julie Kirkbride (Bromsgrove) (Con): Although the aims of the Bill are laudable, I wonder whether the Minister is sure that it will do enough. He may not have had the chance to listen to Sir Victor Blank on the radio this lunchtime talking about the Government bail-out. He said that the recapitalisation scheme was highly necessary—and we all support it—but he also pointed out the problem that the banks now have with regard to lending because of the Government's new capital requirements. Does the Minister agree that those requirements are preventing the banks from lending the money that businesses need?

Ian Pearson: I was in meetings so I was not able to hear what Victor Blank said. He is obviously a serious figure in the business community and we will want to take due account of his views. We meet him on a regular basis, and Ministers and officials are well aware of his and his company's position on these issues. From what the hon. Lady says, his comments would not appear to refer directly to legislation appropriate under the long title of the Bill, but she raises an important point.

The whole House has appreciated the action taken by the Government to recapitalise the banks to avoid the potential systemic risk to the financial services in this country. We need to continue to do all that we sensibly can in these difficult times, and that is one of the reasons why we have been considering whether further action is needed. I indicated the two areas in the pre-Budget report that suggested how the Bill could be strengthened in the other place, and I think that we have broad support from both sides of the House for those sensible measures. However, they will of course need to be thoroughly scrutinised in this House and in the other place.

I am aware that there are some areas where Opposition Members may still have some concerns, but we went some way towards resolving those in Committee and in amendments on Report. I would like to take this opportunity to provide an update on progress in some of those areas.

As hon. Members will be aware, clause 75—the power to change law—attracted significant interest in Committee and on Report. It will provide the Treasury with a power to amend legislation to enable the powers of the special resolution regime to be used more effectively. As we discussed in Committee, this is not a general power to amend legislation; it is targeted and limited. It may only be used in order to facilitate a resolution and, in using it, the Treasury must have regard to the special resolution objectives set out in clause 4.

In Committee, I agreed that I would ask the expert liaison group to consider whether the amendments brought forward on Report—particularly the explicit exclusion from the scope of the power of the provisions of the Bill and underlying secondary legislation—would help to reduce the possible impact of the existence of this power on legal certainty in relation to financial contracts. The hon. Members for Fareham (Mr. Hoban) and for South-East Cornwall (Mr. Breed) and I are at one in recognising the importance of legal certainty in relation to contracts. I am pleased to report that when the expert liaison group met earlier this week, it agreed that this amendment would indeed do this. We are continuing to engage with the group on this issue, and of course the power will also be scrutinised carefully in the other place, not least by the Committee on Delegated Powers and Regulatory Reform.

Mr. Andrew Pelling (Croydon, Central) (Ind): I appreciate the need for flexibility in these difficult financial times. Will that clause or any other give the Government the power to set up a bank in an emergency that can take over bad debts from other banks to provide a possible solution to a financial crisis?

Ian Pearson: I know that the hon. Gentleman has raised that issue before on several occasions. Clause 75 would not do what he suggests. As I say, the clause provides a targeted and limited use of power to change law to make the special resolution regime work as effectively as possible. He will be aware, from the special resolution regime detailed in part 1 of the Bill, of the exact procedures necessary—who pulls the trigger, who operates the special resolution regime, and how the parties work together. We believe strongly that the range of measures that we have in place are a substantial improvement on the Banking (Special Provisions) Act 2008, and that is one of the reasons why we want to ensure that they reach the statute book in a timely manner, given the fact that the Act is sunsetted in February.

David Taylor (North-West Leicestershire) (Lab/Co-op): The Minister may remember new clause 2, which I tabled on Report, with the support of my hon. Friends the Members for Stroud (Mr. Drew) and for West Bromwich, West (Mr. Bailey). It addressed the remutualisation of failed former building societies. Every

[David Taylor]

building society that was privatised in the 1980s and 1990s has failed in the past few months of this crisis. When I was asked by the Minister not to press the new clause to a Division, he said that the existing legislation would provide sufficient powers for financial institutions that emerge from the present crisis to become mutually oriented if that was desired at the time. Will he meet us to discuss that point, because mutualism provides a robustness and responsiveness that other financial structures do not, as we have seen in the past nine months?

Ian Pearson: It certainly remains my understanding that the legislation is sufficient to take into account those issues, but I would be more than happy to meet my hon. Friends to discuss that in more detail.

I now turn to the issue of partial transfers and the safeguards that the Government will put in place to protect creditors, and particularly to reduce disruption to set-off and netting agreements and security interests. I know this issue was of great interest to members of the Committee, and rightly so. Again, I can report that, when the expert liaison group met earlier this week with officials from the Treasury, the Bank and the Financial Services Authority, they continued to make good progress towards providing for safeguards that will maintain the right balance between ensuring that the authorities have the necessary flexibility to ensure an effective resolution, while protecting creditors' and counterparties' interests.

We are continuing to work closely with the group on refining the safeguards and, of course, we are conducting a wider public consultation. We aim to be in a position to report back, including on the results of the consultation, early in the new year. I repeat the commitment that I have made on previous occasions—I see the process of producing the secondary legislation as being one of co-production. We want to work in detail with the industry to ensure that we get the secondary legislation absolutely right and that there are sufficient safeguards to protect creditors' and counterparties' interests. We understand the importance of that for the industry.

The Bill represents the Government's considered response to some of the key lessons learned during this period of financial instability. It provides a permanent addition to the country's system for financial stability and depositor protection, and these arrangements will provide the UK authorities with a refined and proportionate set of tools to deal with difficulties in the banking sector that can affect depositors and the wider economy. It is vital to get the proposals right and to ensure that the UK's framework is sufficiently robust to deal with future as well as current challenges. So I am grateful for the thoughtful and constructive scrutiny that the House has given to the Bill, especially in the Public Bill Committee but also on Second Reading and on Report. I am sure that that constructive spirit will continue during this debate.

The Bill is a vital piece of legislation that will enhance the ability of the authorities to secure the financial stability of the UK both now and in the future, and I commend it to the House.

1.51 pm

Mr. Mark Hoban (Fareham) (Con): I am grateful to the Minister for his explanation of the Banking (No.2) Bill procedure, as it seemed rather odd to be giving this Bill a Third Reading when a Bill that was identical to it except for the title was given a Second Reading in the other place yesterday. That was a sign of the way in which we have sought to co-operate with the Government to ensure that the Bill reaches the statute book before the Banking (Special Provisions) Act 2008 expires in February next year. As the Minister said, we have sought to engage constructively as the Bill has passed through the House. We have not always agreed on some of its provisions, but we have sought to ensure a full discussion and full scrutiny.

I am grateful to my hon. Friends the Members for South-West Hertfordshire (Mr. Gauke), for Braintree (Mr. Newmark), for Gosport (Sir Peter Viggers) and for Wellingborough (Mr. Bone) for their contributions in Committee. My hon. Friend the Member for Gosport was one of four members of the Select Committee on Treasury who served on the Public Bill Committee, along with the hon. Member for South-East Cornwall (Mr. Breed). The deliberations of the Treasury Committee in the aftermath of Northern Rock and financial instability contributed a great deal to our consideration of the Bill in the Public Bill Committee.

We supported the Bill on Second Reading and we do not intend to oppose it on Third Reading. That does not mean that it is perfect, and, as the Minister said, there are and have been some significant concerns about it. Those concerns were particularly evident when it was first published. We welcome the fact that the Government listened not just to the concerns that we expressed in Committee but to the wider concerns of the financial services sector. We teased out some of the sector's concerns in Committee, particularly when its representatives gave evidence to the Committee. The Minister has sought to respond to those concerns. We welcome the amendments to the Henry VIII powers in clause 75, as well as the establishment on a statutory footing of the banking liaison panel in clause 10. The Minister referred to the work of the panel.

We also welcome the fact that the Minister sought to consult widely on the secondary legislation and the code of practice. The Bill gives the tripartite authorities—the Treasury, the Bank of England and the FSA—quite extensive powers. Safeguards over the use of the powers are included in the secondary legislation that flows from the Bill and in the code of practice. Only when the legislation is seen as that package will outside bodies take comfort from the shape it is in.

It is worth remembering that the Bill has a very narrow focus. In the context of the current financial crisis, it deals principally with measures to tackle the problems associated with a failing bank. Its provisions do not address the re-opening of credit facilities to bank customers. Although it gives the Bank of England new statutory responsibilities for financial stability and gives it oversight of the payments system, it does not address issues such as the macro-prudential regulation of the banking system, a topic that has provoked considerable debate both in Parliament and outside.

Even on the issue of which banks are included, the Bill is narrowly focused. Clause 2 describes a bank as

"a UK institution which has permission under Part 4 of the Financial Services and Markets Act 2000 to carry on the regulated activity of accepting deposits".

That means that bodies such as Icesave are excluded. Icesave was a branch of an Icelandic bank, and branches are excluded from the Bill. None of the provisions in the

Bill would have helped the depositors of Icesave who, in some respects, are still waiting for compensation following the collapse of the Icelandic banking system.

A point that we raised in Committee, which the Minister sought to address, was that the Bill covers only deposit takers and does not take into account institutions that are fundamental to the stability of the banking system and do not accept deposits. We therefore welcome the amendments that the Government propose to table in the other place to deal with institutions that accept client assets and trade. In Committee, we discussed Lehman Brothers, where there have been significant problems with the administration arrangements because the tools are not in place to do the job. We welcome the move to amend the Bill, but I am sure that my noble Friends in the Lords will look very carefully at the amendments that the Government propose to table.

At the heart of the Bill are the increased powers being given to the tripartite authorities to intervene when a bank is failing and powers through the special resolution regime to enable them to resolve the problems of a failing bank. Part 1 sets out the special resolution regime and establishes the framework for putting a bank in the special resolution regime and the powers that can be used by the Bank of England or, where appropriate, the Treasury to deal with a failing bank. We talked extensively in Committee about the objectives of the special resolution regime. I do not particularly want to dwell on those subjects at this point, although I want to come back to the issue of financial stability later on.

Although the Bill does not rank the objectives given, it has been clear from our debates that one of the most important objectives is the protection of depositors and particularly of retail depositors. Effective arrangements to protect deposits are important if we are to ensure confidence in the banking system. We saw in the context of Northern Rock the close relationship between confidence in the banking system and the moves by depositors to withdraw their funds.

The decision to put a bank into the special resolution regime rests with the FSA, as set out in clause 7. The Bill states that a bank will be subject to the special resolution regime when it has breached the FSA's threshold conditions, which are defined in the Financial Services and Markets Act 2000 and defined more closely in the FSA's rule book. As currently drafted, the threshold conditions are quite broad. The Minister and I discussed the location of the head office, for example, as a threshold condition, and there are other conditions that apply to insurance companies, for example. I was grateful for the Minister's assurance in Committee that the FSA is considering the threshold conditions.

We need to see increased clarity about what will constitute a breach of the threshold conditions. The FSA determined that the recent bank failures at Bradford & Bingley, Heritable and Kaupthing had breached the threshold conditions but, two and a half months later, we are no clearer about how they breached those conditions.

We did not make as much progress in Committee as I had hoped on the question of ensuring transparency about the use to which the Bill's powers will be put. That transparency also applies to the threshold conditions, and I hope that the FSA will bear that in mind when it looks at the issue.

The special resolution regime established three stabilisation options—a private-sector purchaser, a bridge bank and temporary public ownership. They will be implemented through the stabilisation powers and the transfer of shares and property. The most controversial aspect of the stabilisation regime is the bridge bank, which is the vehicle that permits the partial transfer of assets and liabilities. That proposal caused the most contention between the Bill as originally drafted and as it stands now.

We have seen a form of the bridge bank in operation already, with the dismemberment of Bradford & Bingley. Its depositors and other assets were sold to Banco Santander, while the rump of the business has effectively been nationalised by being left to the taxpayer.

Some hon. Members present today did not attend the Committee stage of the Bill, so it is worth pointing out that the controversy stems from the fact that the partial transfers were regarded as a way to allow creditors' traditional rights to be unpicked by Government action. The rights included the arrangements governing how transactions are settled in the City. Certain types of transactions are covered by agreements that enable deals to be settled on a net basis, according to their balance at the end of the day, rather than on a gross basis.

Regulatory capital is determined on the same basis, so there was widespread concern that the lack of proper safeguards could mean that there was no legal certainty that in-default transactions could be netted off. That legal uncertainty would have made London a more expensive place to do business and undermined our competitive position. That was one source of the comments made by the financial services sector when the Bill received its Second Reading.

The Government have taken on board those comments, and their moves in respect of netting off are very helpful. In principle, they are saying that we should follow the path of netting off and then considering exceptions, rather than setting out the qualifying financial contracts at the start. That change has been greeted positively by the financial services sector, and we look forward to the outcome of the consultation process in January.

Investors have also been reassured by clause 60, which provides mandatory compensation to third parties where there has been a partial transfer. It adopts the principle that no creditors should be worse off than they would have been if the bank had gone into administration or liquidation. Although that is relatively easy to say, it may be difficult to implement in practice, as the process involves a great deal of judgment by the valuer, but it gives creditors some reassurance that their rights will be properly valued.

We have touched already on the banking liaison panel set out in clause 10, which will include representatives from the tripartite authorities, the FSCS and the financial services sector, as well as people with a particular knowledge of insolvency and financial services law. I have spoken to people in the City over recent weeks and my sense is that they welcome the panel as an effective way to look at the secondary legislation that will be introduced.

As I said, the Bill is a package: in addition to the secondary legislation that will follow, it sets out in clause 5 a code of practice that will give guidance on the exercise of stabilisation powers and the bank administration

[Mr. Mark Hoban]

and insolvency procedures set out in parts 2 and 3. We saw an early draft of the code while the Bill was in Committee, and I am sure that a further draft will be available to Members in the other place once the consultation process is completed next month.

The code is important because it sets out the circumstances in which the powers will be used. The greater the clarity about how the powers will be used, the more confidence there will be in the operation of the overall regime, but that also means that there should be much greater transparency about why powers have been exercised.

I repeat that two and a half months have passed since Bradford & Bingley was subject to a bridge-bank type process, while Kaupthing and Heritable were put into administration at the beginning of October. However, there has not been that much in the way of greater transparency about the process through which the FSA and the Government went to get to that outcome. The financial services sector will learn a great deal from the explanation that is given about the exercise of those powers at that time, and that will enable it to predict more carefully how the powers in this Bill will be used in the future.

We have touched already on the Henry VIII clause in clause 75, and the feedback that the Minister gave on the comments from the banking liaison group was very helpful. Clearly, however, those in the other place will look at those powers, as that is an area about which they are especially concerned.

Another part of the Bill that is important in terms of the overall structure of protection for depositors deals with the changes to the FSCS. The scheme is one of the principal means by which we can protect depositors, as it gives them confidence that they will be compensated if their bank goes into administration. That needs to be thought about very carefully as the Bill proceeds through the other place, but part of the problem is that some of the detail about how deposits are to be protected will be dealt with in reforms introduced by the FSA. That is more work in progress, and it shows how difficult these matters are.

I have spent some time looking at this Bill over the past few months, and I could talk for hours about it. On this occasion, however, I shall desist from going into more detail, although I will say that more work will be done in the other place to streamline and strengthen it. The Bill is important because it should strengthen people's confidence in the banking sector and in London as a place to do business, but it is only one of the measures needed in that regard. Other moves need to be made to restore confidence in the banking sector as a whole.

2.8 pm

Mr. Colin Breed (South-East Cornwall) (LD): I shall be brief, as I know that other hon. Members want to contribute to this relatively short debate.

It seems a long time since we were in the midst of the Northern Rock debacle, but there has been a very considerable amount of water under the bridge and to some extent the Bill's provisions have been overtaken recently by other events. Nevertheless, the Bill is important and the Minister knows that we support it.

I do not want to say much on that, save that there are some very welcome aspects. The banking liaison group is a very positive innovation that will be helpful both now and in the future. It also cements the sort of relationship that we need with the City in respect of matters that at times can be very delicate. If we do not get our response right, the consequences could be very profound, and it is important that we bear that in mind.

The Bill does not cover important issues such as bank liquidity and capital, the appointment and qualification of directors, risk committees and so on, but they will have to be considered fairly soon. Therefore, to a certain extent this Banking Bill is just the first chapter of a continuing work in progress that we will have to keep looking at over the next few months. However, because there is a sunset clause in the Banking (Special Provisions) Act 2008, we have to put something on the stocks and the Bill can do that.

Inevitably, there are still some concerns about exactly how the provisions will work, and the hon. Member for Fareham (Mr. Hoban) has outlined them. We must hope that many of the provisions will not actually be required. If they are, we could be in a lot more difficulty. The Bill is a bit like bolting the stable door after the horse has gone, but it is extremely important nevertheless that it is on the stocks, although if we have to use some of its provisions we shall be looking at some stark situations.

We debated the amount for the Financial Services Compensation Fund in Committee and there was some disagreement about whether there should be pre-funding, which is, rightly, not on the agenda at present—clearly, the banks need all the capital they can get. One element that we did not much explore was public opinion. We have to recognise that public opinion is not particularly disposed to the provision of significantly more bail-out money. Although there are some objections to pre-funding, and even about its practicality, the industry has to realise that the idea that it can regularly come back for public bail-outs at much cost will not be sympathetically considered.

The Bill sets out protection for depositors, which is important. That security, with timely payouts, is right. It was a great shame that the vast majority of the depositors in the Northern Rock queues were already protected under the deposit fund so they did not actually need to worry. They did not know that, because the fund was not particularly well known or advertised, so we need to do some real education following the Bill to make depositors aware of their protections and of what they can expect to happen. We need to give them confidence, so that if there are some ripples they will have a clearer understanding that they are protected, and that they do not have to whiz-round suddenly and take out a few thousand pounds of their hard-earned savings.

Banks are undoubtedly one of the most capital-hungry businesses—they are always seeking capital. I have concerns that the provisions may set up some hurdles to the capital-raising exercises that will be important. Even if there are no hurdles, the process will be much more expensive than in the past, which will have an effect on the cost of money generally. We need to recognise that there will be genuine costs if banks are unable to amass

or attract the capital they will need both for their own stability and also to operate effectively for themselves and for the economy.

Mention has been made of the significant powers that have been given to the FSA and the Treasury, and there are inevitably concerns about them. The Minister has given us some reassurance, at least in respect of the Treasury powers, which is helpful, although there will always be concern about whether the FSA will use its triggers appropriately. We shall have to see. Overall, the situation is satisfactory. The thresholds for the safeguards may be a little low, but all such assessments are subjective, so it is difficult to prove one thing or the other.

Our debates on Report were truncated because of the need to prorogue. If we had had the full time, we might have reached the amendment that my hon. Friends and I tabled to deal with the necessity for a sunset clause. Just as the Banking (Special Provisions) Act was sunsetted, we shall need to revisit some of the Banking Bill's provisions in more peaceful times, given that we have been considering it during a crisis-type situation. I hope that at some stage the Government will give our proposal some thought.

I thank the Minister and other members of the Committee. The Minister was courteous and good humoured in sometimes difficult circumstances. Overall, we support the Bill. We hope that it will be further scrutinised in the other place and that it will reach the statute book before the previous measure expires.

2.14 pm

Mr. Michael Fallon (Sevenoaks) (Con): I remind the House of my business interest recorded in the register.

I, too, welcome the Bill, and I do so for two reasons. First, it begins to put the Bank of England back at the centre of our financial system, which the Treasury Committee recommended in its major report on the Northern Rock crisis. Some of the Committee's recommendations have found their way into the Bill; for example, streamlining the court of directors and giving the Bank more explicit power over financial stability. I hope that the Government will follow up those changes by giving the new deputy governor, Paul Tucker—whose appointment I welcome—the resources he needs to rebuild the Bank's ability to understand what is happening in the banking markets and to monitor the financial system much more thoroughly. That is an important and long overdue change. Those powers and that ability should never have been taken away from the Bank of England.

Secondly, the Bill makes improvements to depositor protection, as the hon. Member for South-East Cornwall (Mr. Breed) said. I am not quite clear how the arrangements that the Economic Secretary proposes will be superseded by what was agreed in Brussels earlier this month. Perhaps the hon. Gentleman could clarify that. If he does not have time to answer me today, perhaps he could write to me. I understand that there will be an overarching European Union framework for the number of days before depositors are fully refunded, which may be even more leisurely than the arrangements canvassed in the UK. I should be grateful for some clarity.

We hear constant references to temporary public ownership. What is missing from the Bill is any understanding that the arrangements being made for the ownership or part-ownership of five of our major banks will not be temporary; they will be with us for a very long time. Further legislation may be required, but I should have liked the Government to make an attempt in the Bill to set out some rules about how those public stakes are to be managed—my hon. Friend the Member for Fareham (Mr. Hoban) referred to that point. We have heard that the shareholding is to be directed by UK Financial Investments, which is to be set up as an arm's length body, but it is not clear whether the company will require statutory approval. It is not clear how UKFI will be accountable, although I certainly hope that it will be accountable to the Select Committee. We should all understand that, although the Government keep calling this stuff temporary, it is likely to be with us for a long time, so issues such as competition policy—suspended for the nationalisation of the two Scottish banks—will need to be readdressed if we are ever again to have sufficient and proper competition in the banking system.

I have now twice said—on 17 October and during the Queen's Speech debate—that the various measures produced to tackle the financial crisis have been necessary but are not yet sufficient. More will need to be done to get banking flowing again so that money can reach our home owners and businesses. I welcome the extension of the credit guarantee scheme earlier this week and the Treasury's admission that it will last for five years, not three—nothing temporary about that. It could be a very permanent feature of our financial landscape. However, I suspect and fear that even those measures will not be sufficient and the Government may have to revisit some of the features of that desperately short weekend when the Scottish banks were nationalised. Of course, the due diligence was rushed, as I have already pointed out, but some of the terms set out over that weekend may have to be looked at again, because the money and the credit are not yet flowing, which everybody wants to happen.

That said, I welcome the Bill and hope that it makes it to the statute book in reasonable time, although even if it gets there in February, it will still be 18 months after the collapse of Northern Rock, which is fairly leisurely progress for a legislature that should have responded much more quickly and an Executive who are constantly behind the curve. However, I welcome the passage of the Bill today.

2.19 pm

Miss Julie Kirkbride (Bromsgrove) (Con): I, too, will keep my remarks brief. As the Economic Secretary knows, Opposition Members wholeheartedly support the Bill's aims and have been calling on the Government to produce such a Bill for some time, and we therefore wish it a very fair and speedy passage. Of course, we want it on the statute book by February, but in the light of the Governor of the Bank of England's remarks earlier this week, when he set out a rather worrying picture for the future of our banking industry, the best option would be for that to happen as soon as possible. It was somewhat surprising for someone in his position to make things quite so worryingly clear.

I want to make a few remarks about the Bill. As my hon. Friend the Member for Fareham (Mr. Hoban) said, we should remember how all this started, with Northern Rock some 18 months ago, when our banking system began teetering on the edge, as it has continued

[Miss Julie Kirkbride]

to do ever since. One of the reasons why the Northern Rock fiasco—crisis—came about was that, under the old rules of banking legislation, when the Bank of England offered emergency liquidity, it had to make that known. That was, in itself, a recipe for the disaster that followed.

In future, under the Bill's miscellaneous provisions, which seems a minor section in which to put an important provision, such emergency liquidity offered by the Bank of England can remain secret. Clearly, although transparency is something to be desired, in a situation that can cause a run on a bank, as happened with Northern Rock, the new rules are much better, and I am glad that the Government have learned the error of their ways, inasmuch as a rescue will be attempted before the public take fright and start to queue around the block at various branches of whichever bank might be in trouble. I welcome that important provision.

I agree with my hon. Friend the Member for Sevenoaks (Mr. Fallon) that, although it is nice to see the Bank of England taking more of the centre stage in the regulation of our banking industry, there is more to be done in that respect. There are still problems with regard to the powers of the FSA and the Bank of England. Clarity of decision making is very important in what we now know to be such a crucial part of our economy. We are not letting banks fail—they are just too important—and someone therefore needs to be exclusively in charge. I hope that that role will be considered in future banking legislation.

Finally, my hon. Friend the Member for Fareham, who speaks from the Front Bench, has played a much bigger role in considering the Bill than I have, and I am very glad about that because he has clearly gone into the detail. I was encouraged when he said that there is now broad agreement that the Government have got largely right their provisions for the SRR and that there is much more happiness in the banking industry and among Conservative Members about how that would take place. If I have one concern about this crisis, it is that when it is over—it will be over, eventually—the City of London remains an important institution for UK plc. Although we are very angry with the banking industry for the trouble that it has led us into, we must be careful in any future legislation to ensure that it remains an important part of our economy in future. We must ensure that the City is open for business and is the most attractive place to do so. It is very tempting to penalise the banking industry for how it has behaved and for what it has done, but, although we obviously have to put right what has gone wrong in our banking industry and give people confidence in it in the future, we must keep sight of the broader picture for the UK. We have a lot of jobs in the financial sector, and we want to continue to attract banks to London with fair and rational provisions that govern how any such similar situation will be dealt with.

2.24 pm

Mr. Mark Field (Cities of London and Westminster) (Con): These are, as the Economic Secretary pointed out, momentous times for this country's banking and financial services industry, which has, as my hon. Friend the Member for Bromsgrove (Miss Kirkbride) has just said, become an increasingly important element of the UK economy over the past two decades. It had importance before, but its status, and, indeed, the knock-on effect of any problems for other important commercial cities and towns in this country, let alone the City of London, should not be underestimated.

I believe that in an ideal world—perhaps it is fair to say that we are not living in an entirely ideal world—it is important that any legislation is not over-rushed. I appreciate that there have been tumultuous events in the financial markets, and I suspect that that will be so for some months to come. However, in so far as anything is foreseeable—I accept that some eventualities are not—we should avoid putting our banking industry into too much of a straitjacket.

I am also the first to accept, however, that the days in which both I and, indeed, my hon. Friend the Member for Fareham (Mr. Hoban) perhaps talked easily about the idea of light-touch regulation are done—at least, for now. I confess that even relatively sophisticated high-net-worth individuals—we have seen what has happened to such investors in one of the world's largest hedge funds in recent days—have to concede that those days will, I fear, come to an end.

As my hon. Friend the Member for Bromsgrove pointed out, the future for London's financial centre will not be enhanced by low-regulation arbitrage, vis-à-vis other financial centres going forward. Clearly, that will not be the spirit of the age for some time to come. I must confess that I am also concerned about the City of London's future role as a world financial capital. We must be entirely candid about the fact that some permanent damage has been done by recent events—indeed, the same applies to Wall street—and the whole Anglo-American model of financial services will need to be shaken up.

Clearly, the Bill plays an important part in that process, but we must regard this as work in progress in the weeks, months and, indeed, years ahead. That can only be further undermined by some of the unfolding scandals, and I am sure, I fear, that we have not heard the last of them. Nevertheless, I hope that the Government will take some heed of the quiet concerns of many people in the banking world. Many representations have been made to the Government during the consideration of the Bill, but although they broadly express support for the workings of the Bill, there are some concerns about how the compensation system will work.

I should like to reiterate the concerns of my hon. Friend the Member for Sevenoaks (Mr. Fallon), who hit the nail on the head. We must look at the whole issue of competition law. Above all, as we have seen with the banking mergers that have taken place and the lack of independence for some banks, there is concern that competition considerations have been flung aside. We are living in tumultuous and difficult times that are bewildering for the public and for policy makers as well; but equally, we must remember that competition law is enacted not as an added layer of regulation but to protect the consumer.

The bigger concern of many people is that smaller banking organisations and small organisations in the financial services world run the risk not only of perhaps over-contributing to a compensation fund, but of exiting from a lot of markets in the financial services world, simply because of those competition concerns. All too often, enhanced and enlarged regulation is a big barrier to entry for new competitors in what should be a vibrant field, full of innovation and flair.

My hon. Friend the Member for Fareham rightly pointed out that some specifics will be considered in another place in January in relation to netting and set-off in the context of clause 48, but I should like to say finally that, although this is billed as temporary legislation, there is no doubt that, as my hon. Friend the Member for Sevenoaks said in his contribution, many of these measures will stay in place for quite some time. That means two things: first, we clearly need to give very great consideration to what we put on to the statute book at this stage—that has happened here and will happen in another place in the next few weeks of the parliamentary Session—but, more importantly, we recognise that this must be work in progress. I hope that the Government will pay great attention to what is being said in the banking and related industries to ensure that, where unforeseen problems arise in relation to the legislation, they are fully and properly dealt with.

2.29 pm

Mr. Charles Walker (Broxbourne) (Con): I am grateful for the opportunity to speak in the debate on the Third Reading of this important Bill, which comes at an important time in this country's financial history. I, too, am delighted that the Bill will put the Bank of England back at the centre of regulation. There is further to go, but I must confine my remarks to the contents of the Bill.

I note that the Bill proposes an increased regulatory role for the Financial Services Authority. There are still huge concerns among Conservative Members—and, I am sure, among Labour Members—about the suitability of the FSA to deliver on that enhanced role. The FSA seems to have missed all the warning signs leading up to the banking crisis and all the warning signs in the mortgage market, and there has been a simple loss of confidence in its ability to deliver on its important role. A few moments ago, I was talking to my hon. Friend the Member for Sevenoaks (Mr. Fallon) about the need to restore confidence in the regulatory regime. What happened at Northern Rock must not be allowed to happen again, and the Bill goes some way towards ensuring that it will not. My hon. Friend pointed out that the run on the bank happened because, despite assurances from the Government, the FSA and the Bank of England that there was nothing to fear about losing deposits and that those deposits were safe, the public quickly worked out that no one was in charge. As we move forward, we need someone who is seen to be in charge of regulation, so that the buck stops with him or her. I hope that the Bill sets those wheels in motion; if it does not, I am sure that we will revisit the subject in the very near future.

2.31 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): I wish to declare some of my interests. I hope that NatWest will continue to provide me with its overdraft. I am a Royal Bank of Scotland pensioner, prospectively, and I hope that it will be able to pay out on that pension. More importantly, I have an interest in the City, working for Tokai Tokyo Securities, which covers some borrowers in the markets, including, now, some of the UK banks.

When one sits down here in solitary at the end of the Chamber, there is a danger of having over-profound thoughts, but I want first to make some more fundamental remarks about the implications of the Bill. Over time, the Government undertook an excellent preparation for the Bill as regards the consultation that went with it. That was a useful process that means that it will be robust in terms of dealing with the crises that will come next year. We would all hope that it will not be necessary to employ this legislation, but it is inevitable that there will be further nationalisations with the oncoming second leg of the financial crisis after Christmas.

The Bill gives additional powers to the Bank of England. It has to be asked, bearing in mind the significant failures in recent years, whether that is the right route to take. I appreciate that we have to work with the institutions that we have, and that there is only so much progress to be made by criticising the Bank and the FSA. However, the Bill represented an opportunity to give the Bank responsibilities for asset prices; obviously, that concern will now be on the downward side rather than on the upward side. The Bill should also have given more support to maintaining the banking department of the Bank of England, which is being wound down, rather extraordinarily at this time of a banking crisis. An opportunity should have been taken—

Madam Deputy Speaker (Sylvia Heal): Order. I remind the hon. Gentleman that passing reference to what is not in the Bill is allowed, but he must now concentrate on what is in it.

Mr. Pelling: I think that I will take this opportunity to desist, Madam Deputy Speaker, because colleagues look keen to move on to the next business of the House.

In conclusion, good work has been done in the Bill to provide the basis of speedy intervention in any future banking crisis. However, I hope that the Government will consider the introduction of the means to set up a bad bank—a solution that could deal with the crises that will be upcoming in the next two months.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Mr. Charles Walker (Broxbourne) (Con): On a point of order, Madam Deputy Speaker. I do not want to try the patience of the Chair, but over the past few weeks I have received many cards from people saying "Season's Greetings". Can you confirm that this House is rising for the Christmas recess, not a seasonal recess, and will you join me in wishing all hon. Members a very happy Christmas, as we would wish them happy Diwali, happy Hanukkah, or happy Eid?

Madam Deputy Speaker: The hon. Gentleman is correct in as much as this House will be adjourning tomorrow for the Christmas recess. I thank him for his kind remarks on my behalf and on behalf of the other occupants of the Chair.

Value Added Tax

2.35 pm

Dr. Vincent Cable (Twickenham) (LD): I beg to move,

That an humble Address be presented to Her Majesty, praying that the Value Added Tax (Change of Rate) Order 2008 (S.I., 2008, No. 3020), dated 24 November 2008, a copy of which was laid before this House on 24 November, in the previous Session of Parliament, be annulled.

Let me move on from the end of term spirit to a very serious issue, which is the motion to annul statutory instrument No. 3020 relating to value added tax. There are two reasons to be concerned about the VAT change, and we want to register that fact from the Opposition Benches. Some people do not believe that there should be a fiscal stimulus or think that it would be damaging; I expect the Conservatives to make that case in due course. My approach and that of my colleagues is somewhat different: we have no objection to the principle of a fiscal stimulus, but we think that this is a bad one that is not likely to be effective even on its own terms.

Perhaps I should start with the Chancellor's own language in the pre-Budget report, when he declared:

"I have decided that the best and the fairest approach is a measure which will help everyone"—[*Official Report*, 24 November 2008; Vol. 495, c. 483.]

and said that he proposed to give back some £12.5 billion to consumers. Our view is that that is not the best and fairest approach, that it will not help everyone, and that it certainly will not give £12.5 billion back to consumers. That is not to say that it is completely hopeless. There is a case for providing a fiscal stimulus through this measure that does not rely on "best" or "fairest" or consumer stimulus. It is a somewhat mechanical approach. What will happen—we can already see it happening—is that this measure will be absorbed in increased retail margins for everything from small shops to Sainsbury's, Asda and Tesco. Of course, that is putting money into the economy; no doubt if Tesco earns a little bit more profit as a result, that will be reflected in its share price and feed through into pension funds. If the Government had been honest with us and said, "Actually, this has got nothing to do with helping the consumer—it's all about putting £12.5 billion into the economy in the quickest way we can think of, and it's marginally better than dropping money from helicopters", we would find it difficult to quarrel with the logic. However, they have not done that—they have grossly overstated their case, and so we need to have a look at it and at its weaknesses.

The policy makes extraordinarily optimistic assumptions about the course of the economy. It assumes, as was said in the pre-Budget report, that we expect a recovery in 13 months from now. Because of that very optimistic view of the course of the British economy, this measure could have some perverse and negative consequences that were clearly not thought through in the Treasury. As we approach the end of next year, most people will have to look forward to an increase in VAT that may be greater than a return to 17.5 per cent.—to reopen the whole issue of what the Government really intended—as well as an increase in income tax, although it is called national insurance. Most rational consumers will calculate that they face a reduction in real income and adjust their budgets and spending patterns accordingly.

There is another, more subtle effect at work. Most economic forecasters now expect that next year we will see something that we have not seen for decades, possibly generations—namely deflation, whereby prices fall as they did in the 1930s and at various times in the 19th century. That is now factored into the assumptions of some of the money markets, so the Americans talk about it quite openly.

In a deflationary world, prices fall. When consumers see prices falling, they hold back from spending, so the VAT cut has the perverse effect of encouraging deflationary expectations. That encourages people to spend less, rather than more. Those are two possible perverse consequences of the measure. I am not predicting that that would happen, but before we glibly assume that the VAT cut is simply an injection of consumer spending, I am pointing out factors that could work in the opposite direction.

Secondly, on the impact of consumer behaviour, we need to take into account the fact that we are talking about a very small change. Mr. Steinbrück, the German Finance Minister who has often been quoted in the Chamber in the past few weeks, chose a singularly unhelpful example: he asked, rhetorically, whether people would respond to a change in the price of a DVD from £39.90 to £39.10. That is quite a good example, and I can give others: one that I have quoted in the past is the £5 off the £220 flat-screen TV from China. There is also the example of 60p off a £25 meal. One can question how much that is likely to influence the behaviour of a rational consumer.

Mr. James Plaskitt (Warwick and Leamington) (Lab): Will the hon. Gentleman explain why he is opposed to giving a typical household in his constituency a tax break of £300 next year? That is what the VAT reduction does.

Dr. Cable: I shall go on to explain that we would provide the tax cut in a better, fairer and more effective way. My colleagues and I are not opposed to cutting taxes for our constituents; we just think that the tax cut could be done more intelligently and in a more targeted way.

There is another cost factor related to the smallness of the cuts. Many shops are discounting aggressively. In an environment in which shops are cutting prices by 20, 25 or 30 per cent., the effect of the change in VAT is invisible and therefore likely to have very little impact. Before I leave that point, there are a couple of issues that I would like the Government to address. The first is a very specific but important point raised by the British Retail Consortium, which has been thinking ahead and worrying about the effect that the change will have at the end of next year. It has said:

"Retailers are extremely concerned at the Government's intention to end the temporary VAT reduction on 31 December 2009. This would fall in the middle of the post-Christmas sales, one of the most important times of year for the retail industry…We believe that Government should reconsider the end date with a view to extending it by at least a month."

Whatever general arguments we make about the retailing impact, that is a specific technical point that I hope the Government will have taken on board. Of course, the change that the British Retail Consortium suggests would not affect the overall arithmetic.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): On that specific technical point, has the hon. Gentleman noticed that the order that we are debating has an end date of 30 November 2009? The Government are relying on other legislation, not yet laid before the House, to extend the VAT reduction until 31 December.

Dr. Cable: I hope that that is a sign that the Government have an open mind about when the boom is due to occur. That is a helpful intervention, and it points to some of the inconsistencies involved.

I have a final point to make about consumer impact. One particular sector concerned about how the tax change will feed through is road hauliers, who can of course get relief from value added tax but who will be paying increased duty on their fuel. The issue is of particular concern to hauliers operating in rural areas, and the retailers who depend on them for their supply. I wonder whether the Government have thought about the cost implications of the fact that the combination of changes to VAT and to vehicle excise duty will particularly affect rural distribution. That is of concern to many of my colleagues and to people in other parts of the country.

Stephen Williams (Bristol, West) (LD): On the subject of costs to business, I wonder what estimate the Government made of the cost to small businesses, most of which will account for VAT quarterly. They will have suffered VAT at 17.5 per cent., but will recover it, in the fullness of time, at 15 per cent., so they will suffer a cash-flow disadvantage in the short term. They will also face real costs as they reconfigure their accounting and invoicing systems and reprint all their marketing materials. So they face real cash-flow costs and an actual cost when the change is implemented.

Dr. Cable: My colleague eloquently made a point about the administrative costs of the change, particularly for small business—a point that I wanted to make in slightly more detail. As he rightly points out, in this country, 2 million companies are registered for VAT, and many of them will have the kind of practical problems that he describes, which clearly were not anticipated in the Treasury.

The Government acknowledge that the compliance costs of the measure will be £300 million. Of that, £90 million is simply the cost of conversion; it is £50 million to cut the VAT and another £45 million to convert it back again. We are talking about an enormous administrative cost, particularly to small business, in terms of managerial time and practical problems of conversion. That will substantially reduce much of the benefits. My hon. Friend mentioned some of the problems, and I shall cite a couple more from my constituency. A local garage, Broad Lane Garage, wrote to me, without any prompting from me, to say:

"This imposed change has caused us, as a small business, great inconvenience and some expense...we have had bookings cancelled...The change to our systems has taken several telephone conversations and will ultimately require someone to come into the office out of their normal working hours to make the necessary alterations to our computer system".

The company asked me to use all my efforts to communicate those views to the Government. If necessary, it will organise a petition for me, without my having asked for it.

A computer software company described some of the specific, practical problems that a company is likely to have as it works through the transition. A business man in Twickenham said:

"This VAT change is a potential disaster for businesses like mine. We run an IT company and we have just 4 days to get all our customer systems changed over. All our cash flow comes in from standing order mandates...Re-signing customer payment authorities is always difficult and the government have now given all business people particularly SMEs a real problem...If my customers take the opportunity to stop their payment mandates while they wait for us to issue new invoices with the VAT adjustment...it will be catastrophic for us and a good profitable technology business will be sacrificed for no good reason at all."

I suspect that there are many arguments of that kind being aired in companies around the country.

The final criticism that I want to make is about the Government's claim that the VAT cut is the fairest approach. There are very simple ways of testing the proposition that a tax change is fair. The Institute for Fiscal Studies will run through different tax changes to demonstrate their impact on different income groups. It has done that and points out that the impact of the VAT change on the richest 10 per cent. of the population will be to make them 1.6 per cent. better off, and the impact on the poorest 10 per cent. will be to make them only 0.6 per cent. better off. Obviously, most of the commodities most used by people in low-income groups, notably food, children's clothes and energy, at least at a lower rate, are exempt.

My final point—this partly refers to the intervention from the hon. Member for Warwick and Leamington (Mr. Plaskitt)—concerns the alternative that we would advance. As I said at the outset, we do not believe that the Government should do nothing; there is a case for a fiscal stimulus. There are two elements to our answer. First, there are tax changes that are desirable. We have argued for a progressive change in the income tax system, cutting taxes for people at the bottom end of the income scale and raising them at the top by changing the system of allowances. That would have a differential effect on spending. It would be tax-neutral; it would not affect the deficit or public debt. However, it would provide a stimulus to the economy.

The Institute of Directors has surfaced as an improbable ally, saying that

"an income tax cut would have put significant cash directly into pay packets, ensuring that people noticed and providing a more effective stimulus."

The argument that one should use the income tax mechanism rather than VAT has broad support in that sense.

Mr. Frank Field (Birkenhead) (Lab): May I just ask whether the institute supported the idea of raising taxes on the rich?

Dr. Cable: I do not think it did, so the right hon. Gentleman could accuse me of quoting selectively; I did on that occasion.

Tax is one mechanism. The other mechanism that provides a much more direct fiscal stimulus is the use of public investment. We welcome the bringing forward of public works projects, but I noted in an earlier intervention in the Chamber that the overall effect of the Government's proposals in relation to capital spending is to reduce

[Dr. Cable]

Government public investment over the next few years, which is not the kind of support that will be needed in what I fear will be a prolonged recession. We ought to be discussing in more detail the kind of measures that can be undertaken in relation to social housing, which is currently frozen because of the difficulties in housing associations, to which I referred in Prime Minister's questions; the opportunity to roll out much more effectively a programme of home insulation, which is happening at a snail's pace; investments in public transport, and others.

Mr. Plaskitt: I thank the hon. Gentleman for taking a further intervention. Does he not see a problem with fairness in his argument? Half of pensioner households already do not pay income tax. The VAT reduction is worth £150 a year to them. Why is he against a £150 tax break for pensioner households?

Dr. Cable: Clearly, supplementary measures are needed to deal with pensioners and people who are not in the tax bracket. I was referring to an overall package that would be a good deal fairer than the one proposed by the Government, and more effective in the long term because it would be built into people's expectations.

I finish by continuing a point that I made on Monday. The argument about how to stimulate the economy is moving on very fast. We are talking about cuts in interest rates and about fiscal policy. The Americans are already talking about quantitative easing, which is printing money—that is, dropping money from helicopters. That is the kind of environment that we are getting into. When we reconvene in the new year, I expect that the debate will have moved on to more dramatic and potentially dangerous departures in policy. Although the statutory instrument will undoubtedly inject some demand into the economy, it is seriously defective and we intend to vote against it.

2.51 pm

Mr. Frank Field (Birkenhead) (Lab): I am delighted to follow the hon. Member for Twickenham (Dr. Cable). I want, if anything, to add a sense of urgency to the case that he deployed. As we were reminded, we rise tomorrow for the Christmas recess, and when we return the economic landscape will have changed even more than it has in the past few weeks, and will have changed much for the worse.

Our debate today should concentrate on the most effective way the Government could spend any extra money that they might consider spending, so that many of the firms that currently employ our constituents have a chance of getting credit and opening after Christmas. Unless we radically change the credit lifelines to many firms, a considerable number of our constituents will not have firms to go back to after Christmas.

The sense of urgency that I hope we will demonstrate in the debate comes from the statistics that we already have. We know, for example, that in the worst slump in 100 years, national income—GDP—fell by 5 per cent. We know that probably the most accurate estimate shows GDP already falling at a rate of 4 per cent. and escalating. One hopes that the Government are right, that this is just a temporary blip, and that things will change. I fear not. I fear we may be entering a period of the most severe economic chaos that anyone alive can remember, and we need to judge whether the VAT increase is in any way appropriate as the stimulus to counter that downward trend.

Mr. Tim Boswell (Daventry) (Con): Does the right hon. Gentleman agree that the real viciousness of extreme deflationary conditions is not so much the statistical decline in GDP, which he is right to emphasise, as the entirely disproportionate increase in unemployment that is already becoming evident and is likely to accelerate in the coming year?

Mr. Field: That is my next point. I am grateful that I gave way, not because it is not always a pleasure to do so, but because my hon. Friend the Member for Sunderland, South (Mr. Mullin) told me that I spoke about a VAT increase, when we are, of course, debating a VAT decrease. Given the crazy economic world we are in, it may well have been an increase, rather than a decrease. I am immensely grateful to him for that.

The data published today on unemployment show just how serious the situation is. If we turn to the appendices in the pre-Budget report and look at the set of statistics to which the Government have nailed their colours—levels of unemployment at the end of next year—we know that with the benefit count passing the million mark today and the International Labour Organisation rate coming up towards 2 million, sadly those thresholds will be crossed much earlier than the Government hope and that the pre-Budget report suggests. I believe the Government have very limited room for manoeuvre in a reflationary package, so I again question whether the VAT decrease is the appropriate policy response. For those reasons I shall vote against the Government today.

There are two huge pressures limiting the Government's room for manoeuvre, the first of which is the sheer size of the debt that they hope to raise in the gilt markets. I am less optimistic than most people about the Government's ability to raise that debt. Long-term interest rates will certainly be pushed up, which will damage economic recovery as a result of seeking that level of debt, and we may have the horrendous scenario in which the Government cannot sell their gilts. Then, we are in a new ball game. The Bank of England will clearly be instructed to buy those debts, and again the outcome at which the hon. Member for Twickenham hinted will be upon us—the printing presses will be rolling to pay for that, with all the consequences if one major country operates that policy in isolation from others.

What the Government can do is restricted by debt. Unlike most people, I believe that we face a threat of inflation. I do not understand how the Bank of England keeps talking about deflation. Oil prices in the spot market are rising substantially. We know about the fall of sterling in normal circumstances, and we may say that these are not normal circumstances. The fall in the value of sterling already would put 2 percentage points on inflation. It is an illusory luxury to believe that somehow next year the economy will be faced with a negative rate of inflation, rather than a real inflationary threat. That will certainly put a stop to a Government strategy of wishing the Bank of England to cut interest rates.

Given the limited resources at the Government's disposal, is a reduction in VAT the most effective way of trying to mitigate the economic hurricane that is already beginning to affect our constituents and will affect many more after Christmas?

I disagree with the policy of increasing public works advocated by the hon. Member for Twickenham. I am always delighted to see my right hon. Friend the Financial Secretary on the Treasury Bench, but never more so than now, because I want to suggest that public works, sadly, have a far more limited role to play in recovery than one might think. The biggest public works programme is the Olympics. In the two and a half years since the Olympic programme was announced, with huge investments from taxpayers and lottery players, the London borough of Newham, part of which my right hon. Friend represents, has issued more than 50,000 new national insurance numbers to non-British workers.

The idea that increasing public sector investment programmes will lead to a significant increase in the employment of British workers, sadly, is a fallacy. That raises long-term questions about what our schools are doing if they are producing people who cannot get or hold down those jobs, but that is a debate for another day. I do not believe that using moneys to increase public investment is a viable or effective option for the Government to pursue to prevent an horrendous scenario engulfing all too many of our constituents.

There is, however, one thing that the Government can do, and before Christmas: reallocate the money that would be lost on reducing VAT and use it to try to extend, even more effectively, credit lines to firms that will not open after Christmas if they do not get credit lines before it. The situation is that serious.

The Government are taking some measures, and I rejoice in that fact. However, it is clear, from reports of employers in our own constituencies and from what is happening to world trade, that something most alarming is happening. I shall state again a fact that I cited in the debate on Monday: the rates for shipping and for transporting goods—to China, for example, which we hope will still be an engine for getting us out of this slump or recession—are one tenth of what they were last year.

That is not because the Chinese economy is seizing up, although it may well do, but because people who have goods that they wish to sell in the export market are worried about whether they will be paid—in other words, about whether the bills of exchange will be honoured. In that context, we should concentrate all our attention on ensuring that we extend the lifeline to those firms, and we could do that before Christmas. For that reason, and the others that I have briefly tried to marshal, the Government should take that course with the money that they plan to allocate to reducing VAT.

Like the hon. Member for Twickenham, who moved the prayer against this order, I believe that cuts in VAT are like spitting in the face of an economic hurricane. They will have no effect whatever, given that firms are already cutting prices by up to 50 per cent. in an attempt to survive. I beg the Government to reconsider. Nobody doubts their genuine intention to try to protect as many of our constituents as possible from the awful consequences that are beginning to unfold before our very eyes and from the horrendous unemployment that we will see after Christmas, and that has already begun. We cannot stop that, but we could mitigate it. Many of the firms in our constituencies that will not open after Christmas unless they get credit could get it if the Government used the money more effectively.

We Members have secure employment, at least until the general election. I hope that we will act this afternoon to try to protect the jobs of the people involved and give them something like the sense of security that we have as Members of Parliament. We should, if need be in the Division Lobby, persuade the Government that the billions to be used for reducing VAT could be far better used to make sure that emergency credit lines are extended to firms that will otherwise fold and add enormously to the unemployment totals in the new year.

Madam Deputy Speaker (Sylvia Heal): I now have to announce the result of a Division deferred from a previous day. On the motion relating to the Christmas adjournment, the Ayes were 266 and the Noes were 214, so the Question was agreed to.

[The Division list is published at the end of today's debates.]

3.3 pm

Mr. Philip Hammond (Runnymede and Weybridge) (Con): In our response to the pre-Budget report statement, in the emergency debate that followed and in many other forums, we Conservatives have made it clear that we oppose the Government's so-called fiscal stimulus package, which involves borrowing yet more billions to deliver the temporary VAT cut that we are debating today. We will therefore vote against the order, although as the hon. Member for Twickenham (Dr. Cable) said, our reasons for doing so are different from his.

There seems to be a disconcerting and growing gap between the economic scene as viewed by the Prime Minister and the picture that greets everybody else. The Prime Minister denies any responsibility for the problems facing the country; he claims credit for Britain's being "well placed" to meet them. He is apparently blind to the mounting evidence that his solutions, far from having saved the world, are not working. Instead of recognising the policy failures that led us to our situation today and addressing the real problem that faces our economy now—the seizure of the credit system—he has chosen to embark on a reckless exercise that will increase debt through yet more borrowing to fund the temporary VAT cut, which just about everybody except him agrees will be the least effective stimulus to the economy. It is the Prime Minister all over: unaffordable and ineffective.

The view from within the Downing street bunker seems to go something like this. Due to circumstances entirely beyond its control, a Britain in which boom and bust has been abolished is the completely innocent victim of a foreign-inspired recession. But thanks to the Prime Minister's prescience in borrowing and squandering vast amounts of money in the years of economic growth, Britain faces the recession with the largest budget deficit and the most unbalanced economy of any developed country. According to the Prime Minister, those conditions make us uniquely well prepared to weather the economic storm.

Having already "saved" the world banking system, the Prime Minister naturally considered carefully the challenges that this foreign recession presented to the

[Mr. Philip Hammond]

British economy and decreed that his rather dusty textbook dictated a dose of Keynesian fiscal stimulus to get the country back on track. According to him, his prescription was instantly endorsed by the entire leadership of the free world, assembled for the specific purpose of receiving his guidance. With that reassurance behind him, he returned home and used his well known and unique powers of empathy with the British people to conclude that the best way to stimulate them was to offer them a short-term cut in VAT with the promise of a massive increase in taxation just as the economy is struggling to break out of the recession and resume growth.

The reality of the situation that we face is rather less rosy. The Prime Minister has lectured our neighbours for a decade about the superiority of his management system, but his chickens are coming home to roost. This recession is not—as he would have us believe—an external shock to an otherwise fit, lean and healthy economy momentarily blown off course by a foreign disturbance, but rather a warning symptom of the underlying sickness of an economy that has become bloated on record levels of public and private debt.

Mr. Boswell: On the assumption that, as we have often been told, left talks to left, is it not particularly remarkable that Herr Steinbrück of the Social Democrats described the Prime Minister's whole exercise as "crass Keynesianism" that, in his words, will take a whole generation to pay off?

Mr. Hammond: My hon. Friend is absolutely right; unsurprisingly, perhaps, I shall come to Mr. Steinbrück in a moment.

Far from being well prepared, Britain is uniquely vulnerable to the reality of a bust that has followed the illusion of a boom. Unlike their neighbours and competitors, which used the good years to pay down Government debt, our Government went on borrowing, so that we are entering the recession with a huge structural deficit. On top of that structural deficit, we are going to pile the additional borrowing that the automatic stabilisers naturally deliver in a recession. We shall get to more than £100 billion of borrowing next year, even before the Prime Minister's proposed fiscal stimulus is added. That will double our national debt to £1 trillion. That leaves us not well prepared, but, in the words of Alan Greenspan, more vulnerable than any other major economy.

In the words of the Minister for the Olympics just two days ago, Britain now faces

"a recession deeper than any that we have known"

—deeper than those of the 1980s and 1990s. That is the prediction of a senior member of the Prime Minister's Government. People do not need to go to Germany, as my hon. Friend the Member for Daventry (Mr. Boswell) suggests, for a verdict. They do not need to go to Brussels, to the European Central Bank or even to the currency markets, which are sending a pretty clear signal. They do not need to listen to the Opposition to get a verdict on the Prime Minister's policy; they can hear it openly and publicly expressed by one of his own senior Ministers.

Leaving that Minister aside for the moment, the Prime Minister seems mainly to be basing the justification for his policy initiative on the endorsement he claims to have from foreign observers. He says that everybody except those on the Conservative Front Bench supports his plan for a fiscal stimulus funded by yet more borrowing, so I have been looking at what various people have actually said about the Prime Minister's proposals, and I have discovered that, on his definition, the Conservative Front Bench has turned into rather a broad church. Indeed, it welcomes the German SPD Foreign Minister who said:

"Just because all the lemmings have chosen the same path, it doesn't automatically make that path the right one".

For political balance, he would be joined on our Front Bench by the *CDU* budget spokesman, who says:

"The tremendous amount of debt being offered by Britain shows a complete failure of Labour policy."

Next along would be the president of the European Central Bank, who explained that fiscal policies need to ensure the longer-term sustainability of public finances, implying for some countries that there is no leeway for fiscal loosening. He says:

"You have unfortunately countries that have already no room for manoeuvring. In those particular cases fiscal activism, instead of having a positive impact on the economy, could harm confidence".

And the EU Commission—an unlikely joiner of our Front Bench—says:

"It is clear that not all Member States are in the same position. Those that took advantage of the good times to achieve more sustainable public finance positions... have more room for manoeuvre now...For those Member States, in particular those outside the euro area, which are facing significant imbalances, budgetary policy should essentially aim at correcting such imbalances."

I do not think that there could be a clearer or more specifically targeted reference to the UK without naming it directly.

Mr. Graham Stuart (Beverley and Holderness) (Con): My hon. Friend will remember that the last time we had a Labour Government we needed to be bailed out by the International Monetary Fund, such was the deterioration in the economic reputation of this country under Labour at that time. Does he fear that with the increasing spreads on insurance of UK Government debt, that this Labour Government could be threatening our very ability to stand as an independent nation?

Mr. Hammond: The immediate threat is to our ability to borrow in the markets, as the right hon. Member for Birkenhead (Mr. Field) said. I was reminded by someone at IBM a few weeks ago that in the 1970s a serious scheme was being put together that would have had IBM borrowing in the markets, because it was able to do so, and then lending at a margin to the British Government, who could not do so. It is now the case that a significant number of companies are able to borrow on more favourable terms than the UK Government.

Mr. Frank Field: Might I remind the hon. Gentleman that he has been speaking for longer than the hon. Member for Twickenham (Dr. Cable) spoke in moving the motion, and during that time we learned why the Liberal Democrats disagreed with the Government's strategy and what they would do? Might I suggest that the hon. Member for Runnymede and Weybridge (Mr. Hammond) finds some time to tell us what the Opposition would do in these circumstances?

Mr. Hammond: I am grateful to the right hon. Gentleman for his helpful suggestion, but with your permission, Madam Deputy Speaker, unless Mr. Speaker is minded to place a time limit on contributions to the debate, I will make my point in my own way. Unlike the hon. Member for Twickenham, who essentially agrees with the concept of a fiscal stimulus, but disagrees with the way in which the Government are proposing to deliver it, we have a fundamental disagreement with the Government's approach and I am seeking to explain why.

We are considering the temporary VAT cut because the Prime Minister has boxed himself into a corner. Having proclaimed his recapitalisation of the banking system not merely as successful in Britain, but as the instrument of world salvation, he has an understandable difficulty in acknowledging the small technical problem that it is not working. Banks may have been saved from collapse, but the test of the success of the taxpayers' intervention is whether credit has begun to flow in a normal, sensible and measured way through the veins of the economy—and it has not. Businesses large and small cannot borrow, the housing market is at a standstill, car sales have fallen off a cliff as consumer confidence is shattered, unemployment is soaring, business failures are accelerating and home repossessions are climbing ominously.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): My hon. Friend says that the Prime Minister has boxed himself in, and I agree with that, but he has done so in one particular way. He cannot rely on the fiscal stimulus because of the level of debt that he has created. Had he not created that level of debt, he would have been able to pursue his fiscal stimulus.

Mr. Hammond: My right hon. and learned Friend is absolutely right, and the Prime Minister has boxed himself in in another way. He is now unable to recognise that the banking recapitalisation has not delivered the intended outcome. Urgent attention to the banking and credit system is what is actually required to get Britain back on track and to save the sort of businesses that the right hon. Member for Birkenhead was talking about.

The Prime Minister is unable to acknowledge that his banking rescue package now itself needs rescuing, and desperate to maintain momentum, he has produced this fiscal stimulus, not on the basis of a clear analysis of its impact on the British economy, but on the basis that some economists and politicians in other countries recommend such a measure in the very different circumstances of their own economies. He is spending more money that he has not got, piling up yet more burdens for future generations and placing the economic recovery at more risk. It seems that action has become an end in itself—hyperactivity as Government policy.

Our position is that Britain cannot afford this extra borrowing, and its problems will not be solved by this temporary VAT cut. What Britain needs is carefully thought out measures that address the real problem, which is the lack of credit in the economy because of the failure of the bank recapitalisation programme. It needs measures such as our national loan guarantee scheme, which would get banks lending to businesses again, and sustainable measures to deliver permanent tax cuts through restraint in public spending increases once the recession is over. What we have from the Government is a package that has stimulated no one, but will cost everyone.

The hon. Member for Twickenham correctly pointed out that shops in the high street are offering 10, 20, 30 or 40 per cent. discounts, and that this small VAT change is unlikely to have any significant impact. I have just been handed some figures from the CBI survey of retailers, which has come out today, and they show a ninth consecutive month of falling sales. Those figures cover the first fortnight of the Christmas trading period, including the first 10 days of the Government's VAT cut. A net balance of 55 per cent. of firms say that their trading is worse than expected, and the trading record is the weakest recorded since the survey began in 1983. Although the VAT cut will not deliver the Government's hoped-for benefits, tax increases for everyone earning over £20,000 by 2011 will deliver a disincentive to spend and a disincentive to resuming consumer confidence in the economy.

This policy is not an economic recovery package, but a political survival plan. To quote the German Finance Minister again:

"the speed at which proposals are put together under pressure that don't even pass an economic test is breathtaking and depressing".

If it is breathtaking and depressing for someone who will not have to pick up any of the bill, how much more breathtaking and depressing is it for British taxpayers? He continues:

"All this will do is raise Britain's debt to a level that will take a whole generation to work off".

I could not have put it better myself.

The Prime Minister dismisses the German Foreign Minister as playing politics, but that is precisely our charge against the Prime Minister. He is ignoring the long-term economic best interest of Britain for his own short-term political gain. Everything is politics: the 18.5 per cent. VAT rate that he was going to levy on us after 2011 was suppressed and kept secret at the last moment, leaving a black hole in the PBR, so we are left guessing where and how the burden will fall when the recovery comes.

We face a recession born of a credit crisis. The Prime Minister's banking recapitalisation has failed to stop the rot. Businesses and consumers are sliding closer and closer to the precipice, but he refuses to act where action is needed. We have put forward a detailed package of proposals that would tackle the real problems. We have even produced a draft Bill to establish the national loan guarantee scheme, but instead of taking up our ideas to make the bank bail-out work, he has turned his back on the consensus that existed when it was announced and instead pursues a mechanical, textbook-led approach that is simply not affordable or appropriate and which will not be effective in his Britain, where consumers are over-borrowed and starved of credit, facing certain tax increases in two years' time, fearful for their jobs and seeing the value of their assets shrinking.

We will not support today's ill-conceived measure or the billions of pounds of extra borrowing and future taxes that it will entail. I urge my right hon. and hon. Friends to vote against the order in the Lobby this afternoon. I also hope that those on the Labour Benches who for whatever reason reject the Prime Minister's package—they might not agree with our analysis—will join the right hon. Member for Birkenhead and find the courage of their convictions when we vote this afternoon.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. May I remind hon. Members that this debate has to conclude at 5 minutes past 4 and that within that time it will include a contribution from the Minister? I therefore hope that hon. Members hoping to catch my eye will exercise some self-discipline.

3.21 pm

Mr. Tim Boswell (Daventry) (Con): Thank you, Madam Deputy Speaker, I shall do my best.

I greatly welcome the contributions that have been made so far, which include contributions from those on the Conservative and the Liberal Democrat Front Benches, with their slightly different perspectives on the solution. Without wishing to put him in an invidious position, I also include the contribution made by the right hon. Member for Birkenhead (Mr. Field), who offers both his frank and trenchant analysis and his readiness to consider alternative solutions, which will impress us all. It happens, coincidentally, that on this occasion I agree with almost every word that he said about what should be done.

I hope that I can indulge the House for a moment and take hon. Members back down memory lane. In the early 1970s, in the days when VAT was being conceived, I happened to be the head of the economics section at the Conservative research department and was, as it were, party to some of those initial discussions. Without going into the details of those discussions, I can tell hon. Members that two things were clear in principle: first, that any tax should have a broad coverage at a relatively modest rate; and secondly, that the rate should enjoy a degree of stability, which meant that we could not keep chopping and changing it.

That was essentially a wise judgment and, in fairness to Governments since, that practice has continued. Since that period, there have been virtually a handful of changes in the VAT rate, until now, when we are, in effect, committing ourselves to two changes in one year. The measure should be called the Value Added Tax (Changes of Rate) Order—one change down and one change either back to the existing level or, as is more likely, in view of what we have been told by accident, upwards from that level.

Let me make another point in parentheses. The history of the '70s, which was not very happy for Labour Governments, as has already been adverted to, shows a regular recourse to the fiscal regulator. Taxes were increased or decreased by 10 per cent. at a time by order. Those changes were designed to stimulate or curtail growth in the economy, but their effects were always well below the expected level of efficiency. That, I fear, will be the fate of today's measure.

My other point goes to the politics of the thing. My political mentor, the late Iain Macleod, who sadly died before the introduction of VAT, always used to say, in his generous way, that he was not inclined to shoot even a one-legged Santa Claus, which is both a seasonal and, I hope, a material political reference. Of course it is difficult to cast oneself as the person who wants to say no to a proposal to cut taxes. The question is whether that proposal will help the economy. Is it the most effective way of stimulating the economy to deal with the consequences that the right hon. Member for Birkenhead was so right to mention or not? That is the real test of the measure.

I want to say a couple of things about the detail of the order, because I was so impressed by representations that I received this week from a constituent—I have his permission to quote from his letter to me. His representations encapsulate in detail exactly the kinds of problems that will arise. Andrew Overton runs a company in my constituency called Overview Mapping Ltd, which provides vehicle tracking solutions for big fleets of vehicles and employs some 15 employees. In fairness, I do not wish to give all the details of the company's commercial situation, but it is fairly easy to derive from its turnover, the amount of tax revenue that Mr. Overton is already paying and the scale of his business.

Mr. Overton quotes me a figure for the decline in new sales for his business from pre-existing levels—that is, pre-credit crunch levels. In general terms, new sales have fallen by an order of magnitude, going from a rapid expansion to a virtual standstill. That will give the House some indication of where Mr. Overton stands. My concern, which he illustrated to me in figures, is about the likely cost of the change. His business model relies on monthly direct debit payments, on about 3,000 monthly collections. They are collected by a firm called Eazipay Ltd and processed for him. In effect, Mr. Overton acts as a conduit for VAT.

Let us look at Mr. Overton's costs. The cost of one man-week of time to effect the changes is £500. The cost of amending 3,000 direct debits, at a standard charge from Eazipay of £1.50 a throw, is £4,500. The cost of accounts software changes, at one man-week, is £500 and the cost of sending letters to all customers is £500. The total cost is £6,000. That is backwards for the business, not forwards. We need to reflect on that.

Mr. Jeremy Browne (Taunton) (LD): May I add another example to the very good one that the hon. Gentleman has just given? I visited Cotleigh brewery in my constituency, which is incurring considerable costs not only because of the VAT reduction, but because duty on beer is increasing to offset the VAT reduction. At the end of 2009, Cotleigh brewery will incur further costs in readjusting everything. The proposal is causing serious problems for businesses throughout the country.

Mr. Boswell: I am grateful to the hon. Gentleman. It is entirely right that the House should consider all such evidence.

I have quoted that example in my constituency, but I want to draw a slightly wider conclusion. Like most other businesses, that entrepreneur in my constituency uses Sage software. He has received a letter from his accountancy support office that says:

> "You certainly aren't unique and we have had some customers dissatisfied with the fact we cannot update recurring invoices…the time scale we had to work with (7 days) to produce a utility meant that we were not able to accommodate all elements…for an automated…change. When we change back in January 2010 we will be able to plan better and create a utility that converts everything".

That is about notice, but Mr. Overton is concerned about direct on-costs to his business. If the proposal is about the Government helping his business, God help us all if they turn the other way.

I want to close on a few simple considerations. The Government's idea of watering the economy with a fiscal stimulus is misconceived and will have the

consequences that my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) mentioned. I feel that it is the wrong approach. In a world in which the choices are difficult and the situation is dire—we acknowledge those facts—it would be better to concentrate on solutions that are specific to business and that are specifically about the availability of credit for those businesses.

3.28 pm

Mr. John Randall (Uxbridge) (Con): I begin by declaring an interest as a director of my family retail business, which has been in existence since my great-grandfather started it in 1888. The present times are more difficult than ever before, and I have to take the day-to-day decisions in the business, because, when life gets a bit difficult, those decisions end up being taken at the top.

My heart sank when I saw the leaks during the weekend before the pre-Budget report was announced. I could not understand why on earth the Government were going to reduce VAT by 2.5 per cent. I actually thought that there must be more to it; I could not believe that they would be so crass as to reduce VAT by that amount. If they wanted to make an impact and give an impetus to consumer sales, they would have had to reduce it by considerably more, which would have involved huge expense and been completely unaffordable.

I will tell the Minister what the effect of this measure has been on countless retailers—every retailer—throughout the country. When it was announced on the Monday, I immediately phoned the shop in Uxbridge and told my staff that we would implement the VAT reduction from the next day. That was effectively a week early, because no one would come into the shop otherwise—no one would buy anything that they believed was going to be cheaper the following week. We also had lots of orders that had been placed, and we had to make the decision to take a hit on those as well. Of course, the reduction is not 2.5 per cent. In real terms, it is 2.13 per cent. Consumers trying to do the mental arithmetic have soon realised that this makes hardly any difference to the price of most items.

So, retailers have immediately had to take a hit. We have already heard about how they have had to put in the required software and change labelling. We decided not to do that, however, and we are still taking the appropriate amount off at the till. That is cheaper and more efficient, and I must admit that I am also making the political point to our customers, because they can then see how little they are actually getting. I have tried to be as neutral about this as possible, however. I might care about this place, but I care very much about the 30 people whom I employ—probably more than about anything else with regard to that business. I have asked them whether anyone has come in and bought anything because it has been reduced by 2.13 per cent., and, of course, that is obviously not the case. Perhaps the Minister will tell me what personal purchases he has made, that he would not otherwise have made, because of the VAT reduction. If he is an honest man—I know that he is—he will say that it has not made a blind bit of difference to him.

So, this measure has been a disaster from the retailer's point of view. Consumers are already getting huge discounts, which are biting into margins. That is very likely to cause the demise of many retailers. A very sensible accountant of mine has told me, many a time, that turnover is vanity, and profit is sanity. It is all very well trying to reduce prices to get people to come in, but we have not had many people coming in.

In relation to the compliance costs, why does the Minister think that it will be £5 million cheaper to re-price next year than this year? Is it because there are going to be fewer shops about? And why is familiarisation going to be so much cheaper? The hon. Member for Twickenham (Dr. Cable) made a point about the timing of all this. What is the worst time of year to put prices up? My hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) said that the provision would last until 1 December next year, and that there might be some change then. But who on earth is going to put their prices up at the busiest time of the year, or afterwards when the sales are on? Retailers are going to take a hit again at that time.

What is the point of all this? I agree with my party and those on my Front Bench that this is not the time to be borrowing like mad, although I understand that others take a different view. I cannot go and borrow lots of money to help my business; first because I think it would be wrong and, secondly, because the banks would not let me. So why are the Government doing this? If I am being kind, I will say that it was something that they could do quickly, but actually I think that it was a gimmick and it sounded good. When he was Chancellor, the Prime Minister loved to finish his speeches with a gimmick, and he has obviously passed that on. Had the measure not been leaked, I think that the Opposition might have thought that it was a wonderful idea, for about five seconds until we worked out what it was really all about. It is a gimmick.

I would not mind at all if the Minister were to say that he had changed his mind, and that he was going to put the VAT rate back to 17.5 per cent. and leave it there. I would even make a pledge to the consumers of Uxbridge that I would keep my prices at the 15 per cent. level because the current VAT change will not help them at all. I urge the Minister to look at this. When those at the Treasury make changes, do they ever ask real retailers and real people what they want, or do they sit down and come up with these incredibly ridiculous schemes? I was delighted to see that the Treasury did not bother working out the impacts on all the groups listed—and I am not going to go through them, as I would be attacked for being politically incorrect.

To be honest, the whole VAT change is a gimmick that will not help, but will actually have a worse effect on retailers and poor employers. As the right hon. Member for Birkenhead (Mr. Field) said, after Christmas lots of people will be in big trouble. People will ask, "What did the Government do?" and the answer will be that they took prices down by 2.13 per cent. when they were already reduced. I have to say that that is a disaster.

3.35 pm

Stewart Hosie (Dundee, East) (SNP): Let me say from the outset that I support fiscal stimulus, as it has been clear for some time that the problems of recession and deflation were far more likely than problems stemming from inflation. That is quite clear now, and my view is that monetary policy alone will not be sufficient to deal

[Stewart Hosie]

with the situation. It remains to be seen whether this particular package is the right one and whether it will be sufficient to bring about a stimulus effect, but it is what we have at the moment, so we will need to go with it—at least for the time being.

Although I support the present fiscal stimulus and welcome much of what the Government announced in the pre-Budget report, I find it galling—indeed, extremely galling—that it is portrayed by the Government as their somehow saving the world or leading the leaders of other nations and states around the world. I say that not least because the PBR post-dated the US fiscal stimulus package of $150 billion in February, the Spanish package of $18 billion in April, the October announcement by President Sarkozy of 100,000 subsidised work contracts, the €50 billion package announced in Germany and, indeed, the Japanese package of £235 billion, if my memory serves me correctly, of which £20 billion—almost as much as the total UK package—was directed at householders with mortgages. Let us have no more of this Government pretending that they have been decisive when they have not, or that they are leading, which they most certainly are not.

If the package had been announced in a full Budget, we would have had four days of debate and a Finance Bill subject to detailed scrutiny in Committee. Alternatives for how to spend 1 per cent. of gross domestic product—about £12.5 billion—would have been varied and very clearly put. I am sure that they would have ranged from cuts in corporation tax to allow businesses that really create jobs to keep more of the money they earn in order to sustain themselves through recession to more direct public investment and everything in between. I am sure that each and every one of those alternatives would have had some merit in its own right and would have been worthy of consideration. We are, however, where we are. We are talking about 1 per cent. of GDP; it is £12.5 billion and it is the largest part of the reflationary package. The bulk of the rest was £5 billion of re-profiled money for direct public investment; it was not new money and it will, of course, lead to a funding shortfall in public expenditure in two or three years' time.

My criticism of the VAT proposal was that the Government were not straight with people about it. Had it been played solely as a business measure—if businesses could have kept the 2.5 per cent. extra to sustain them through the recession in order to maintain, protect and preserve as many jobs as possible—there would have been some merit and honesty in it. The idea of selling it on the basis that 2.5 per cent. was coming off the price of goods and going into consumers' pockets was simply wrong, not least because of the heavy discounting of 20, 30 or 40 per cent. already taking place. When I bought a present for my daughter in Dundee on Sunday, there was a 70 per cent. discount on it already, so the VAT cut is simply swamped. As I said, had this been played as providing 2.5 per cent. extra to businesses, instead of the pretence that it was going to consumers, we would have been happier with it.

Let me now deal directly with the prayer, and with comments made by the Liberal Democrats and others. In some cases, the cost to businesses that have changed their rate has been enormous. I am told that the average cost to the smallest businesses is about £2,500. I fear that, if the prayer were successful, they would be required to pay a further £2,500, as VAT levels would have changed twice in the space of a few months. Small businesses would be burdened with a bill not for £2,500 but for £5,000—and, in the case cited by the hon. Member for Daventry (Mr. Boswell), a bill not for £6,000 but for £12,000. That would be horrendous.

Mr. Frank Field: Is it not true that most firms are now cutting prices, and therefore have not had to make adjustments to take account of the VAT changes?

Stewart Hosie: The VAT changes will need to be accommodated. Some companies will change their marketing collateral, while others will invoke training procedures so that adjustments can be made at the till. Others—almost all—will have to spend additional money on accountancy to accommodate the way in which the books will be audited. There may not be a real, recognisable cost in terms of, for instance, the production of new brochures, but there will be a cost none the less.

The next issue that I wish to raise was alluded to by the hon. Member for Twickenham (Dr. Cable). When VAT was reduced, the Government compensated for that outrageously with a second increase in duty on Scotch in a single year, and by increasing the duty on fuel. The prayer calls only for the VAT change to be annulled, with no annulment of the increases in duty that were introduced to offset the VAT reduction. That would land the drinks sector, the hospitality sector and those who depend on fuel with an additional charge.

Although I support fiscal stimulus, and although I have criticisms of the way in which the Government have introduced the VAT reduction, it amounts to 1 per cent. of GDP and £12.5 billion of real money for the real economy. I must therefore tell the Liberal Democrats, with regret, that the Scottish National party will not be able to support their attempts today.

3.42 pm

Adam Afriyie (Windsor) (Con): There are three words for this VAT reduction: foolish, foolish, foolish. It is foolish in its conception, it is foolish in the way it has been implemented in the House as well as across the economy, and it is foolish because it will not achieve the outcome for which the Government hope. I do not question the Government's motive; I simply question the method by which they are attempting to deliver their aim.

The right hon. Member for Birkenhead (Mr. Field) used the word "effective", suggesting that there were probably more effective ways in which £12.5 billion, an enormous sum, could be put into the economy, or put into monetary stimulus, that would actually make a difference. I share that view, but I would put it slightly more strongly. I would say that reducing VAT is categorically the wrong thing to do at this time.

Let me deal with the first count of foolishness in conception. I think that the reduction was conceived prematurely. The problem that we have is the lack of liquidity. Can people borrow money? Can people renew their mortgages? The answer is no, not at the base rate that has been set. Can businesses continue with their existing overdrafts and loans? The answer is no, certainly not at the current interest rate, and many facilities have been withdrawn. Can people purchase cars? We have

seen a 37 per cent. decline in the number of cars purchased in the last quarter. People cannot purchase cars because there is not enough liquidity. There is not enough cash in the system, so the finance houses will not finance new vehicles. That is the problem, and sadly the solution provided by the Government is an incorrect one. They are providing a fiscal stimulus when what is required is more cash flowing through the banking system. It is the Government's banking solution that has not worked.

I believe that the VAT reduction was also born out of panic. It is clear that a massive economic failure is taking place. We can argue about whether it is a world downturn, and of course we acknowledge that it has international aspects; but we are clearly in a worse position than most developed countries to respond to the situation. I believe that the Government were under pressure to do something, and simply grasped at a measure that they hoped to be able to implement quickly. They grasped at the wrong measure, and I suspect that they are beginning to realise that that was a mistake.

Mr. Hugo Swire (East Devon) (Con): I think my hon. Friend is giving the Government too much credit. Does he not agree that this is a very cynical move, knowing, as we now do, that they fully intend not only to raise VAT to the former level but to increase it in the next financial cycle?

Adam Afriyie: I was trying to find a ray of light—of hope—or a good motive behind this move, but I fear I was being a little too kind, and I acknowledge my hon. Friend's intervention.

The problem at present is not a demand problem; it is a banking, liquidity and monetary problem. This is worse than crass Keynesianism; it is like burning paper money to try to keep warm when what we need to do is fix the heating system. We need the hot water pumping around the heating system, but that is not what is happening.

Secondly, this is a foolish measure in its implementation. I am not one to talk often about parliamentary privilege and parliamentary debate, and to say how important it is that we all get to debate such matters; I am more interested in the outcome. On this occasion, however, the measure has been rushed through the House, and I think that if we had had the time to debate it, a different decision would have been made. As the right hon. Member for Birkenhead said, there are other things we could do with £12.5 billion; on cool, calm reflection, I think that even Government Members would have reflected sensibly and realised that better things could have been done.

Rob Marris (Wolverhampton, South-West) (Lab): Does the hon. Gentleman share my constitutional reservations about cutting taxes—and putting up taxes in terms of excise duty on alcohol and fuel—without the measures first being agreed by Parliament?

Adam Afriyie: I acknowledge that point, but I do not want to get too much into parliamentary process because I am not sure that that is helpful at this moment. Certainly, my general understanding is that there is a Budget that is debatable, especially in tax matters which are changed once a year. There is clearly a loophole or exception for VAT, but I share that concern.

Mr. Graham Stuart: I do not quite agree with my hon. Friend on that. The point made by the hon. Member for Wolverhampton, South-West (Rob Marris) is right: the only protection for our constituents against an over-mighty Executive and their taking decisions on the hop is that those decisions, particularly when they pertain to tax, have to come before this House so that Members, who have to go back to their constituents and hope to be re-elected, can scrutinise those decisions before they are made. The hon. Gentleman is right to say this is a serious issue.

Adam Afriyie: That is a well-made point. I was merely observing that there is an exception for VAT, which is why we have the VAT cut on the table today rather than a more measured approach involving our examining more sensible measures in the Budget in the round, as we normally would.

The other reason why this was a foolish implementation that was too aggressive and hasty is simply the amount of notice given to businesses. I declare an interest in that I am a non-executive director of two or three businesses, and it is clear that the stress and cost involved in adjusting accounting procedures and adapting to the way businesses will behave in the short term are onerous. The estimated sum—I cannot remember whose estimate it is—for complying with this VAT change was about £300 million, with possibly a further £300 million next year. That is about 7 or 8 per cent. of the hoped-for benefit from this measure.

Finally, this is a foolish measure because it will not achieve the outcome the Government seek. I ascribe good motives to them: the Government want to boost expenditure in the economy so that growth begins again, but this will not do that.

Mr. Stuart: I am extremely grateful to my hon. Friend for giving way again; he has been most generous. I wonder whether he agrees with the following point, which I do not think has been raised in the debate so far. Because of the financial incontinence of the Government, such has been the loss of confidence in sterling that even if people are going into the shops to buy imported goods at the supposed 2.5 per cent. reduction, that sum has been far eclipsed by the loss of strength of the pound. That is impacting directly on our constituents' ability to buy such goods to take home for their families.

Adam Afriyie: That is another well-made point. I was glad to give way, because I know that my hon. Friend will not have time to make a speech.

This move is foolish because it will not achieve the desired outcome; it does not help the least well-off as much as it helps the wealthy; the duties on spirits and on fuel charges are not reclaimable, so the effect is a net one—if not an increase in tax—for the groups of people involved; and prices are already falling so a 2.1 per cent. reduction will make no difference. I simply say that there are better things to do with £12.5 billion. We need to get the money pumping round the system. Our idea, which I hope the Government will adopt, of a loan guarantee scheme—a credit guarantee scheme—will make a huge difference in pumping that money round the system so that people begin to get mortgages, begin to feel confident and begin to spend money again.

3.50 pm

The Financial Secretary to the Treasury (Mr. Stephen Timms): Over the past year, major shocks have hit the economies of every country in the world, and the economic and fiscal climate is exceptionally challenging, but the macro-economic framework that we put in place in 1997 means that we face these shocks from a strong foundation. Our priority is to support the economy—to support families and businesses—through these difficult times. We are navigating a path to get Britain through this in the best possible shape, and to do it in a way that is fair to everyone. Therefore, in the pre-Budget report, my right hon. Friend the Chancellor set out measures to help businesses and home owners, and to boost people's incomes now.

We are acting by putting money into the economy now so that we come out of this situation sooner and stronger. We have set out how, once the economy is growing again, we will deal with the public finance problems caused by the credit crunch in a way that, again, is fair to everybody. We are acting now, unlike the Opposition, who would turn their backs on families and businesses at just the time they need support most. We are acting, because if we do not act now it will cost more—it will cost more to the economy, more to the public finances and more to society.

Mr. Philip Hammond: Would the Minister tell the House about the 18.5 per cent .VAT proposal, because his signature was on the document that was published? The Chancellor said that many proposals were considered, so can the Minister tell us whether regulatory impact assessments were prepared for all sorts of other VAT level proposals? Was his signature appended to them all?

Mr. Timms: I am delighted that the hon. Gentleman has given me the opportunity to set the record straight on the Floor of the House. The Chancellor has made it clear repeatedly that he considered, as any Chancellor would, a large number of options about every aspect of tax and spending, as the House would expect. I ask the hon. Gentleman to look at the incorrect impact assessment that appeared on the website, because if he were to do so, he would see that I had not, in fact, signed that document. The Leader of the Opposition said that I had signed it, but my name had been typed in a sort of italic, slightly floral typeface under the following phrase:

"Signed by the responsible Minister".

I cannot see how anyone could have mistaken that for my signature, and I am pleased to have had the chance to put that on the record.

My right hon. Friend the Member for Birkenhead (Mr. Field) rightly drew attention to today's unemployment figures, because they underline just how vital these measures are and how vital a stimulus now is. If the Conservatives, when in government, had introduced a fiscal stimulus of similar scale at the same point in the previous economic downturn, it would have saved some 300,000 jobs—but they did not. They did nothing; they let the recession run its course, as some of them are arguing should happen again now. The nation remembers the enduring damage that was the result: businesses needlessly destroyed, jobs unnecessarily lost and people remaining workless today as a direct consequence of the failings then.

Mr. Graham Stuart: Will the Minister answer the point made by the hon. Member for Wolverhampton, South-West (Rob Marris) about why the House did not debate a proposal of such importance before it was implemented?

Mr. Timms: Parliament has decided, in primary legislation, that a reduction to the VAT rate can be made before debate in Parliament, and that is what we have done.

Our actions will be different from those of the Opposition when in government. We will bring forward £3 billion of capital investment from 2010-11 to this year and next to increase capacity in the rail network, with new carriages, and in the motorway network; to improve social housing and build new homes; to renew primary and secondary schools; and to increase energy efficiency. It will put people to work, it will renovate infrastructure and it will support jobs in key industries. It will also help to put money into the economy in the coming months.

However, to prevent the recession from deepening, we need to do more to put money into the economy immediately. There is a widespread international consensus that a fiscal stimulus to help the economy is the right thing to do. It is backed by parties of both left and right on every continent, by the major countries of the world, by the international institutions such as the IMF—whose chief executive has been very forthright on the subject—by the business groups such as the CBI and the Institute of Directors, the Bank of England and many more.

Kelvin Hopkins (Luton, North) (Lab): I agree with the idea of a fiscal stimulus, although I would go further and make it bigger. I am puzzled, however, by why the Government have chosen to put money into reducing VAT. That £12.5 billion could have been put directly into the pockets of state pensioners and of families with children, and directly into infrastructure investment that would create jobs now. Would not that have been a much more efficient way to counter the recession?

Mr. Timms: We have done every one of the things that my hon. Friend has just listed, including, for example, the £60 payment to pensioners in the new year. We considered a wide range of options for the character of the stimulus. We wanted a measure that would help everyone, including millions of households that pay no direct tax at all. I point out to the hon. Member for Twickenham (Dr. Cable) that changing income tax would not help at all, because some people, such as pensioners, do not pay it. We wanted a much needed extra injection of spending into the economy right now. An effective stimulus needs also to be temporary.

This statutory instrument provides the much-needed stimulus by reducing the standard rate of VAT for just over a year with effect from 1 December. This temporary reduction is equivalent to the Government giving back some £12.5 billion to consumers to boost the economy. The Treasury forecast of the impact makes the cautious assumption that around half of the extra money will be put back into the economy while the rest is saved or spent on other goods.

As my hon. Friend asks, why did we choose VAT rather than other taxes? As we intended, we have already seen retailers pass on the reduction in the lead up to Christmas. I am delighted to hear that Randalls in

Uxbridge implemented the reduction the following day, and others did so just ahead of its introduction, with cheaper goods and services. It is too early of course to make an assessment of the impact, but I did notice that the director of selling operations for John Lewis spoke of "a clear increase in big ticket purchases since the VAT reduction". By encouraging spending, this temporary rate change will certainly help stimulate growth.

Michael Fabricant (Lichfield) (Con): As the Minister will be aware, the managing director of John Lewis, Andy Street, has said that the 2.5 per cent. discount simply meant a delay in high street purchases that was made up the following week. If the Minister had continued the quote from the selling director, it was clear that he was making the same point.

Mr. Timms: But the key point is that a typical family spends £900 per month on VATable goods, and for them, if the reduction is fully passed on, the tax cut means that their spending last month would leave them an additional £20 at the end of this month, and every month to the end of this year, or—as my hon. Friend the Member for Warwick and Leamington (Mr. Plaskitt) said—almost £300 in total. That is a fair way to deliver the stimulus because lower income households spend a larger share of their income on VAT than higher income households. It is particularly helpful for families on a tight budget and it will provide the vital stimulus that we need.

Rob Marris: I shall join the Government in the Lobby tonight, but I am concerned about the increase in excise duty on alcohol, which will adversely affect Marston's brewery in my constituency. I am also concerned about the constitutional propriety of putting up taxes such as excise duty without this House's voting on them first. What is the constitutional legal position on that?

Mr. Timms: Parliament has decided that it should be permissible to do exactly what we have done. The decision was made by Parliament.

Mr. Nigel Dodds (Belfast, North) (DUP): Will the Minister confirm that if the motion were to be supported that would effectively impose a tax increase on consumers and households across the country?

Mr. Timms: The hon. Gentleman is absolutely right, of course. I think that that would be a very unwelcome move.

Mr. Randall: Will the Financial Secretary give way?

Mr. Timms: Since I have mentioned the hon. Gentleman's shop, I shall give way to him.

Mr. Randall: Would the Minister advise my constituents who are particularly worried about their jobs, as well as the constituents of every other right hon. and hon. Member, to spend more or to save?

Mr. Timms: That is a matter for every household to decide. It depends on the situation in which the household finds itself. I am certain that a very large number of people will choose to spend the £20 extra that they will have, on average, at the end of the month, but others will choose to save it and to rebuild their household finances. Of course, it is perfectly appropriate for them to do so.

I want to respond to some of the points that we have heard in the debate. Unsurprisingly, we have heard some comments about Germany, which the hon. Member for Runnymede and Weybridge (Mr. Hammond) mentioned. The key is to look at what the German Government are actually doing. Germany has borrowings that are significantly greater than those of the UK. On 5 November, Germany announced a €32 billion fiscal stimulus—a larger stimulus, proportionately, than that in the UK. I refer the hon. Gentleman and others to what the German Chancellor said last week:

"We support the view of the"—

European—

"Commission that we need to provide 1.5 per cent. of GDP for the stimulus package to strengthen the economy".

On Monday, the German Economy Minister said that Germany had an obligation to introduce new measures to stimulate its economy. He wants Germany to introduce tax measures totalling €25 billion next year. The chief economist of DekaBank, Ulrich Kater, made the point that reducing VAT would have been more efficient than the methods that have been adopted. In Germany, the key is to look beyond some of the words to see the decisions that are being made.

This move is the right stimulus for families, for businesses and for the UK economy and I commend the order to the House.

4.3 pm

Dr. Cable: I thank the Minister for giving me 100 seconds to respond to a long and complex debate. I shall not say a great deal about his contribution. He got off to a good start by reminding us about the 1997 fiscal framework and suggested to me that chutzpah is a necessary qualification for being a Treasury Minister, which he has now done twice.

There were two major contributions to the debate, and I just want to respond to the right hon. Member for Birkenhead (Mr. Field) and the Conservative spokesman, who brought up two major issues. First, of course this is all overshadowed by the banking system and the lack of credit, and that is what we have to focus on. I have spoken about that volubly and at length, so I totally agree with that. The subject of what exactly we should do is more controversial. The Conservative proposal for guaranteed credit may have an important role, but, as I pointed out on Monday, if it is to work it effectively means the nationalisation of credit. That, of course, would have major public finance implications that I do not think they have yet thought through.

The other major issue is whether we believe that any fiscal stimulus is necessary. I am perfectly willing to entertain the dangerous idea that the hon. Member for Runnymede and Weybridge (Mr. Hammond) and the right hon. Member for Birkenhead may be right and that such a stimulus may not work. If that is so, however, they should be in Washington, not lecturing us here.

What is being proposed is just the faintest echo of what is happening throughout the western world, and especially in the US. The American Congress and the new US Administration are preparing a stimulus that is about 30 times as big as the British stimulus, in a context of even weaker public finances than ours. If it does not work, the consequences for the western economies will be catastrophic. As I said—

4.5 pm

One and a half hours having elapsed since the commencement of proceedings on the motion, the Deputy Speaker put the Question (Standing Order No. 16(1)).

The House divided: Ayes 223, Noes 303.

Division No. 9] **[4.05 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Boswell, Mr. Tim
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, rh Mr. Frank
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Lull, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Smith, Sir Robert
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Bob Russell and James Duddridge

NOES

Abbott, Ms Diane
Ainger, Nick
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen

Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Dodds, Mr. Nigel
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hosie, Stewart
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ingram, rh Mr. Adam
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Robertson, Angus
Robinson, rh Mr. Peter
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Wills, rh Mr. Michael
Wilson, Sammy
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Chris Mole and
Steve McCabe

Question accordingly negatived.

Mr. Anthony Steen (Totnes) (Con): On a point of order, Mr. Deputy Speaker. We need your advice and guidance. Today I received an e-mail from a mole—or

[Mr. Anthony Steen]

perhaps I should say a krot, which is Russian for mole—from the UK Border Agency saying that the Government were going to ratify the Council of Europe convention on action against trafficking in human beings. As chairman of the all-party group on the trafficking of women and children, I have not been notified of that. Opposition Members do not know anything about it, and there has been no announcement from the Government.

Is there any point in having a Chamber of the House of Commons if the Home Office forget, or ignore, the fact that there is a House of Commons and there are Members of Parliament, and that we need to know whether ratification is going ahead before the media, other organisations and every Tom, Dick and Harry? It is a terrible abuse of the House that the Home Secretary chooses to announce that this is going ahead—if that is the case—and one hears it from a mole in the UK Border Agency. I should advise you, Mr. Deputy Speaker, that I have left my door unlocked, if the police want to see anything further.

Mr. Deputy Speaker (Sir Michael Lord): I have no knowledge of the matter that the hon. Gentleman brings before the House. He will be aware that Mr. Speaker is always most insistent that important matters for the House should be brought to the House. The point that he has made is on the record and the Treasury Front Bench will have heard what he has said.

Parliamentary Pensions

Motion made and Question proposed,

That this House endorses a cost-neutral package of changes to the Parliamentary pension scheme consisting of

(1) the introduction of a new option for members of the scheme to pay a member contribution rate of 5.5 per cent. of salary for a pension building up at an accrual rate of 1/60th of final salary for each year of service, as an alternative to the existing accrual rate options; and

(2) changes to the ill-health retirement provisions, as proposed by the Trustees, including two different levels of benefit depending on the degree of a scheme member's incapacity, and the periodic review of ill-health pensions.—*(Ms Diana R. Johnson.)*

4.24 pm

Sir John Butterfill (Bournemouth, West) (Con): I will be relatively brief. These two changes to the rules of our parliamentary contributory pension scheme go some way towards righting the wrongs that have occurred in the past, will be beneficially applied for Members overall, and will in some cases help to prevent what may have been abuse in the past.

The first change relates to retained benefits. As you will be aware, Mr. Deputy Speaker, retained benefits are the restrictions that apply to members of our scheme who have been members of another scheme, particularly a better paid one than a parliamentary scheme. Members who have retained benefits will often reach the ceiling of the amount that they can earn through our scheme well before they are due to retire.

The Government recognised that that was unnecessary in modern conditions in the Finance Act 2004, which took away the compulsion for scheme sponsors to operate a retained benefit scheme. The problem is that if scheme sponsors—including ours, the Treasury—were to accept that, there would be a considerable increase in their costs. The Government, in line with many private sector scheme sponsors, have said that that would not be an acceptable increase to the burden on the scheme. *[Interruption.]* It would help me enormously if hon. Gentlemen would not have a conference in the Chamber while I am speaking. They could perhaps have it elsewhere, or be a bit quieter. It is quite difficult to put across a fairly complex point that is not always terribly well understood in the House.

What is proposed in the motion, which has been accepted by the Government, is an arrangement whereby those who are affected by retained benefits can remain members of the scheme, and may continue to contribute, in a way that is much fairer. At the moment, quite a number of Members are contributing at a level that means that they will not see the benefit of the money that they are putting in; they are spending their money for nothing. That is clearly an unacceptable situation.

Simon Hughes (North Southwark and Bermondsey) (LD): I have a simple question for the hon. Gentleman. He said that the proposal, which I accept and support, has been accepted by the Government. Surely the reality is that it is not a Government matter, but a House matter? The Government's view is of course of interest, but in the end it should not persuade anybody either way, should it?

Sir John Butterfill: I am grateful for that intervention, but of course the reality is that if the House were to put forward a motion that imposed an increased burden on

the scheme sponsor, which is the Government, the Government would be perfectly entitled to move a motion against it, and then we would not have the money to implement the measures. We therefore have to move by consent on these matters. In present circumstances, it would not be appropriate for the Government to accept an amendment that would increase substantially the cost to the taxpayers; they are bearing rather a lot at the moment, and it would look rather greedy if we were to try to insist on such an increase. We are trying to find a mechanism that does not impose a huge additional burden on the Government, but that nevertheless rights a serious wrong affecting Members of the House, particularly those who saved significantly for pensions before they became Members.

The proposal will allow Members who are affected by retained benefits to change the basis of their membership of the scheme; they may go on to a new level, and contribute towards a sixtieths scheme. The present two alternatives are a fortieths or a fiftieths scheme. The sixtieths scheme will not be as beneficial, because in any given year they will not accrue as much money as they would at fortieths or fiftieths. However, it will mean that they can continue to remain members and contribute to the scheme, because at sixtieths, retained benefits do not apply under present law. They can contribute at one sixtieth without limit.

That means that those Members would not be expected to pay as much for their special scheme as those who are on a one fortieth scheme, who currently pay 10 per cent., or those who are on a one fiftieth scheme, who pay 6 per cent. It is proposed in the motion that they should pay at 5.5 per cent. rather than 6 per cent. of their salaries, and they can do that without prejudicing their rights under the retained benefits regime and without prejudicing their right to remain in the scheme for as long as they remain in the House.

If Members came out of the scheme because of the problem with retained benefits, it would mean that they would no longer have the benefit of a death in service grant to their partner or spouse. That, again, is pretty unfair on Members. The proposal gets over those problems. It does not totally solve them, but it creates no cost to the scheme sponsor. Those who are at present trapped in an extremely unattractive situation can escape from that.

Members will have to make a selection. All those coming in new at the next general election will have to decide whether they want to be on the one sixtieth scheme, the one fiftieth scheme or the one fortieth scheme, and they will contribute appropriately. Following the making of the order, it will be possible for those who are at present on the one fiftieth or the one fortieth scheme to come out of that and to move to the new scheme.

The Government's proposal is that that should be a once-and-for-all decision. I am not sure whether that is necessary, and I hope they may think again about that. Members' circumstances change over time. People are often in the House for many years and they may wish to change from one scheme to another. We—the trustees—have asked the Government Actuary whether there would be any significant cost if Members could make the selection after every general election. The Government Actuary says that the cost would be insignificant.

We have also consulted the staff of the House in the pensions unit as to whether that would involve any significant cost or problem for them, and they confirmed to me that it would not. I am therefore not sure why we cannot allow Members to make the selection after every general election. Be that as it may, I strongly recommend that right hon. and hon. Members approve the motion today, because it is very much for the benefit of Members as a whole and will right a fairly severe injustice which has applied up to now.

The second part of the motion relates to ill-health retirement. The trustees have found that the present scheme is too inflexible. Somebody who becomes very seriously ill or disabled and is no longer able to carry on serving as a Member of Parliament or, probably, to take up any particularly remunerative employment must prove that to us as trustees, and must get a doctor and sometimes a specialist to confirm that that is the case. We, the trustees, have a consultant medical practitioner who would assess that on an independent basis and advise the trustees.

These are difficult decisions to make, because there is often quite a fine line between not being able to do things and being able to do them, but with some difficulty. We have Members in the House who are blind, who are in wheelchairs, who have all sorts of afflictions, yet manage to carry on a very successful parliamentary career. Therefore, no one of those conditions would be enough. The condition has to be permanent, ongoing and unlikely ever to get any better before we decide that we will grant that early retirement. It is a generous scheme, similar to most others outside the House, but it means that even quite a young Member could retire on ill-health grounds and be paid the full pension that he or she would have received if they had stayed here until they were 65.

Mr. David Winnick (Walsall, North) (Lab): Can the hon. Gentleman give any indication of the number of Members who have applied—in the past 10 years, say—to be compensated under the provision that he has just described?

Sir John Butterfill: The past 10 years is about the whole time in which I have been a trustee. I would have thought that the number was about 30 or 35—something of that order. Not all such applications have been approved, but some have.

The difficulty is that medical situations are often a moving target. There have been radical improvements in medical science, so conditions that were impossible to treat a few years ago can now respond very well to treatment. Furthermore, we do not know what the position will be in another five or 10 years. We have to make a decision based on a snapshot in time.

The situation means that, when we are not happy with the position of a Member, we have to turn them down, even though they might have quite concerning conditions. Again, we are not particularly happy with that. We now propose a two-tier ill-health retirement scheme, which is common outside this place in the private sector. At the moment, there is nothing that we can do to assist somebody who is suffering considerably but not so badly that they cannot do anything, or somebody who has a condition that our medical advisers

[Sir John Butterfill]

tell us could be overcome with treatment, after which they could carry on working. We are therefore proposing a two-tier arrangement.

One of the tiers is clear: if we are absolutely satisfied about the degree of a Member's disability and all our and their medical advisers agree, then we will give that Member their full lifetime pension, starting immediately. If Members have a disability of a lower order—not so severe as to qualify them for the full lifetime pension—the new scheme will say that they can retire and take their pension straight away without penalty, but they will get as pension only what their contributions to date will earn. So there is an advantage to them, because they will get the money earlier without any penalty, but the quantum will be only what can be bought with what they and the scheme sponsor have paid in to date. We think that idea much fairer; it enables those who are ill but who do not fully qualify to retire on a reasonable pension and get it early, and it does not prevent those who are much more severely affected from a health point of view from retiring immediately with a full pension.

The only other part of the proposal is that we would reserve the right to review people's conditions, either up or down. If we find that somebody to whom we have given a full pension has suddenly fully recovered, is capable of doing absolutely everything and is earning a fortune doing some other job, we might say, "Well, hang on—perhaps the state is being a bit too generous here." The recoveries that some people make can be remarkable, as we have seen in all sorts of instances. The proposal enables us to move people up or down the scale if the appropriate evidence is available. We believe that to be the right way to proceed, and I recommend the motion to the House.

4.39 pm

Simon Hughes (North Southwark and Bermondsey) (LD): Both of the proposals seem eminently sensible. I am grateful to the chairman and his colleagues, the trustees, for considering these important matters. These things need careful deliberation, as they would for anyone else planning for their retirement. My intervention was not to suggest that if extra money were asked for from the Treasury, there was not a Government interest. My understanding of the package is that it would reduce the Treasury's liability, but perhaps the Deputy Leader of the House could confirm that in a second.

I have two brief points, one of which relates to the first motion, which seems eminently sensible because it gives greater flexibility. That is something we would wish for others outside this place, so we are not asking for anything special. That flexibility means we can take less, or more, from our salary. We will have three choices as to how much is deducted and three choices on the length of time over which we can contribute. The proposal and that flexibility are both eminently sensible. I support what the hon. Member for Bournemouth, West (Sir John Butterfill) said because people should be able to vary the arrangement at the beginning of each Parliament. That seems an appropriate response for the reasons that he gave: people's circumstances change and they might want to contribute more quickly to reach the maximum of the pension.

I apologise if the hon. Gentleman said this, but I want to repeat it because I think it is important. I understand that we are one of the only groups of people who are limited to a pension with a two-thirds maximum in relation to our finishing salary. That does not apply across the work force in general, but because we are governed by a special arrangement in statute, we are kept to it. The public need to know that.

Sir John Butterfill: That is not totally correct. If Members reach the maximum level before they are 65, they can no longer continue contributing until they are 65. Once they are 65, they can resume contributions.

Simon Hughes: I have not quite addressed post-65 circumstances yet, but I understand the hon. Gentleman's point. People who retire at the conventional retirement age would be able to contribute to a pension that would only be up to two thirds of their final salary, but he says that if people continue working beyond that, they could pick that process up again.

My second point is that the hon. Gentleman made the extremely good point that there must be a system that allows flexibility about the amount of money people are given if they retire on ill-health grounds, which does not treat everyone as if they were the same, because obviously they are not the same. One given lump sum or settlement would be clearly inappropriate in the different circumstances that may exist. As the hon. Gentleman mentioned, we need the flexibility to conduct a review if a person's health gets much worse, or if they miraculously get much better, either by virtue of science of by some other means. The public would not expect anything else.

I hope that the House will support these eminently sensible proposals.

4.42 pm

Mr. Shailesh Vara (North West Cambridgeshire) (Con): Earlier this year, the House debated the report of the Review Body on Senior Salaries regarding parliamentary pay, pensions and allowances. I am sure that many Members will remember that debate, although most of the speeches and comments related to the more newsworthy items of pay and allowances, rather than parliamentary pensions.

Despite that, one of the motions passed at the end of the debate was a recommendation from the report—namely, that members of the pensions fund with retained benefits should be allowed to opt for a one-sixtieth accrual rate, in return for paying reduced contributions, provided that off-setting savings could be found to make the change cost neutral. Ensuring that any change is cost neutral is important and I am pleased to see that the Government Actuary's Department feels that the proposals achieve that.

The changes suggested to the pension scheme are right and proper. It is only fair that those who have retained benefits and will therefore receive less compared with other Members, should contribute less and at a different accrual rate. I appreciate that there has been some debate as regards the percentages involved, but the proposals before us provide a sensible halfway measure, ensuring that those who receive less actually pay less, while ensuring that those who do not have retained benefits do not end up picking up the slack.

The ill-health retirement pensions provisions are very much a step in the right direction. We must recognise the concern about the existing structure, whereby the ill-health pension for serving Members does not distinguish as to whether he or she is deemed capable of being able to carry out some other form of employment. Moreover, once a medical assessment has been made, the current procedure does not allow for reviews to determine whether it is appropriate to continue with the payments.

I therefore welcome today's proposals, which create a two-tier level for serving MPs, which is a structure that is common in the private sector, as well as in other public service schemes. There will be a higher level of payment for those scheme members whom the trustees feel are permanently incapable of doing any form of work and a lower level of payment where it is felt that, although the member is deemed permanently incapable of performing the duties of an MP, he or she can none the less do some other types of work. It is also right that once an assessment has been made, the case and medical history should be subject to review, as felt necessary by the trustees.

The proposals before us are sensible and balanced. They point towards a better and fairer system, and we on the Conservative Benches support them. Finally, may I put on record our huge thanks to my hon. Friend the Member for Bournemouth, West (Sir John Butterfill) and his fellow trustees? They have been trying to resolve the issues for quite a while, and during that period they have put in much time and effort. I thank them not only for sorting out the issues to hand but, more generally, for all the work that they do on our behalf. It is much appreciated.

4.46 pm

The Deputy Leader of the House of Commons (Chris Bryant): I, too, pay enormous tribute to the hon. Member for Bournemouth, West (Sir John Butterfill). I am not sure whether the job of looking after pensioners in Parliament automatically goes to a Member of Parliament who represents Bournemouth, because of the concerns of constituents there, but I am sure that the hon. Gentleman has plenty of experience of dealing with his constituents' pension issues down in Bournemouth. I am also grateful to him because, as a long-established member of the all-party Spain group, I know that he knows the difference between a good bottle of Rioja and a not-so-good bottle of Rioja.

We should also pay tribute to the other trustees and the staff who administer the scheme. Every hon. Member, from across the House, would agree that they receive a personal service from the staff who operate the scheme. Those staff sometimes have to explain matters to hon. Members whose main interest in life has not necessarily been their pension arrangements and whose first level of expertise is not in pensions.

The Government, too, agree that the proposals before us make sense. Those proposals have come from the trustees and are the result of considerable consideration by them over the past couple of years, and they were broadly outlined in principle in the debate on 24 January this year. The new accrual rate in particular makes sense. It is unfair for those who have significant retained benefits not to gain any further benefit, despite the fact that some of them pay in at 6 per cent. or, in a few cases, at 10 per cent.

That applies not just to one part of the House, but to hon. Members from all parts of the House. I am therefore grateful that instead of the current system, whereby, as has been said, either 6 per cent. of salary is paid for an accrual rate of one fiftieth or 10 per cent. is paid for a rate of one fortieth, we will introduce a new scheme, whereby 5.5 per cent. will be paid in for an accrual rate of one sixtieth. That is simply fair.

Simon Hughes: I want to allow the hon. Gentleman to correct what I said or at least to put the Government's position. My proposition earlier was that the new scheme would be less expensive to the Treasury—I think that I was correct in saying that it would effectively be cost-neutral—but can the Minister confirm that as he understands it the scheme will certainly not cost the public any more and that the objective of the whole package is to be cost-neutral at most?

Chris Bryant: I was coming to that. The Government reckon that the new accrual rate will cost something in the region of 0.4 per cent. of future service payments in the scheme, but similarly, the benefit of the changes to the provisions relating to retirement through ill health will be something in the region of 0.4 per cent., so the two elements will balance each other out. That is why we are glad to say that what is being put forward this afternoon is entirely cost-neutral.

As for retirement through ill health, the hon. Member for Bournemouth, West pointed out the concerns that many have raised. First, at the moment, everyone is treated equally in the decisions that the trustees have to make, despite the fact that there may be considerable differences between somebody who is clearly permanently incapable of undertaking any future paid employment and someone who thinks that they may be able to do some work, but not the arduous work of a Member of Parliament. Furthermore, there is a concern that there is no system of review at the moment. As has been pointed out, this is not so much a question of sudden miracles occurring in people's medical conditions as of the fact that their conditions might go through different phases or cycles, during which it might be possible for them to return to work. As we know, returning to work is one of the best forms of cure for many people. We are aware that it is important for there to be a system of review.

Mr. Winnick: I apologise if my hon. Friend has already covered this point. I do not wish to be accused of hypocrisy, as I will obviously be a beneficiary of the pension scheme. Does he accept that, while it is important for there to be such a pension scheme, questions are bound to be asked about the difference between our scheme and those of the millions of ordinary people who are now being forced out of final salary schemes? There is speculation, to say the least, in the present circumstances about what sort of pension most of our constituents will receive when they reach retirement age.

Chris Bryant: I very much hope that my hon. Friend will not be retiring for some considerable time. I also hope that he will not have to retire for reasons of ill health; he seems to be a gentleman of exceedingly good health. He has made the important point that many of our constituents look at our parliamentary contributory pension scheme while having concerns about their own

[Chris Bryant]

pension arrangements. That is why the Government have been keen to ensure that these proposals, in their unity, will not cost the taxpayer a single penny more, and that the package that we are introducing today will be cost-neutral. That point could not be more tellingly made than in the present global economic circumstances, but it also behoves us to look carefully at the way in which we look after ourselves. That is why it is right that there should be a tightening of the provisions for retirement through ill health, as the trustees have proposed.

Mr. Don Touhig (Islwyn) (Lab/Co-op): My hon. Friend the Member for Walsall, North (Mr. Winnick) was quite right to point out that some of our constituents are having difficulties with their pensions, but the House should be aware that, of about 770 Members who left the Commons in the past 10 years, only 34 qualified for the full pension.

Chris Bryant: My right hon. Friend makes a good point. It is also true that many former Members of Parliament have to rely on the charitable funds that the House provides because, in the past, provision has simply not been adequate. Those who commit themselves to public service through the House are owed a debt of gratitude. We do not want to overstate that, but it is important that we should look at that issue.

On the matter of retirement through ill health, it is important that we should introduce the two tiers that the trustees are calling for. That will mean that those who are permanently incapable of any work—including work in the House of Lords—would get the full pension to which they would be entitled if they were not retiring through ill health and had been able to work until the age of 65. Others, who have only a partial incapacity and who are not permanently incapable of any further work—and who might end up in the House of Lords—would receive a pension only in relation to what they had so far earned by virtue of their contributions and the Treasury contributions, but that would not be actuarially reduced by virtue of the fact that they were retiring early.

It is also important that there should be regular reviews. My hon. Friend the Member for Walsall, North (Mr. Winnick) asked the hon. Member for Bournemouth, West how many people had retired through ill health. I can tell him that the precise figure for the past 11 years is 26, so we are not talking about an enormous number of people. However, there can be a great deal of distress involved not only for the individuals concerned, but for their families. Being a Member of Parliament is an arduous job, not least because of the travel between our constituencies and the House, and if we are to do the job well, we need to throw all our energy into it, as I know all hon. Members seek to do.

Finally, the hon. Member for North Southwark and Bermondsey (Simon Hughes) said that this was not a Government concern. I think that there are only two regards in which it is a Government concern. The first is that, as my hon. Friend the Member for Walsall, North said, the eyes of the nation are on how we make provision for our own pensions, so it behoves us at this particular time to be careful not to incur additional costs to the taxpayer. The taxpayer already makes significant contributions to the parliamentary pensions fund. Secondly, we are presented with a cost-neutral package—as I have already said, a saving of 0.4 per cent. in one direction and an additional cost, we believe, of 0.4 per cent. in the other direction.

Simon Hughes *rose—*

Chris Bryant: Those were to be my final words, but I will give way to the hon. Gentleman.

Simon Hughes: Prompted by what the right hon. Member for Islwyn (Mr. Touhig) said, I think I am right in saying—the Deputy Leader of the House may confirm it—that the average length of service for MPs is for less than 10 years, so we are not talking about large numbers of people with huge pensions accrued over many years. It is too easily assumed by people outside that we are here for ever, whereas many MPs are actually here for a short time rather than a long one.

Chris Bryant: The hon. Gentleman is absolutely right. I do not want to undermine the parliamentary contributory pension fund, or, for that matter, contributory pension funds in any other public service. My right hon. Friend the Member for Islwyn (Mr. Touhig) and I represent remarkably similar seats and many of our constituents will earn considerably less than we earn as MPs. Many of their public sector pensions may be secure, but that does not necessarily mean that they will be very large.

I fully support the current pensions scheme. The Government are keen to ensure that we do not overburden the taxpayer on account of our contributions, but we obviously need to ensure that proper provision is made for all hon. Members so that they do not live in indigency in their old age.

Question put and agreed to.

Electoral Commission (Appointment and Remuneration of Chairman)

The Deputy Leader of the House of Commons (Chris Bryant): On a point of order, Mr. Deputy Speaker. There are two motions, one of which relates to the appointment of a new commissioner, with the other dealing with pay and remuneration. I wonder whether it would be convenient for the House to have one debate covering those two subjects.

Mr. Deputy Speaker (Sir Michael Lord): With the House's permission, we will deal with motions 9 and 10 together.

4.58 pm

Sir Peter Viggers (Gosport) (Con): I beg to move,

That an humble Address be presented to Her Majesty, praying that Her Majesty will appoint Jennifer Watson to the office of chairman of the Electoral Commission with effect from 1 January 2009 for the period ending on 31 December 2012.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following motion:

That the following provision shall be made with respect to the remuneration and expenses of the Chairman of the Electoral Commission ("the chairman"):

(1) In respect of remuneration for service between 1 January 2009 and 31 December 2009, the chairman shall be paid £100,000.

(2) In respect of the year starting with 1 January 2010 and in respect of any subsequent year starting on the anniversary of her appointment, the chairman shall be paid as remuneration for that year the sum payable during the immediately preceding year increased by the same percentage of that sum as the percentage (if any) or total of the percentages (if more than one) used to 10 increase the salary of a High Court Judge during that immediately preceding year.

(3) Where during any of the years referred to above the chairman ceases to hold that office, the sum to be paid to her in respect of the part of the year for which she held office shall be such proportion of the sum which would have been due had she completed that year in office as reflects the portion of that period during which she held the office of chairman.

(4) The chairman shall be reimbursed for any expenses she incurs in connection with the discharge of her duties as chairman on travel, accommodation and subsistence.

(5) The pension of the chairman shall be calculated broadly by analogy with the pension scheme of the staff of the Commission, thereby delivering a pension based on the Principal Civil Service Pension Scheme.

Sir Peter Viggers: It is unusual for a Back Bencher to be asked to open a debate on a substantive motion, so my first task is to explain why the hon. Member for Gosport is on his feet and not the Minister. The motions before the House today are proposed by members of the Speaker's Committee on the Electoral Commission. The Speaker has important statutory responsibilities in relation to decisions on the appointment and remuneration of the electoral commissioners. However, Mr. Speaker is not in a position to move a motion in the House, so it is in my capacity as a member of the Speaker's Committee who answers on behalf of that Committee that I speak today.

All hon. Members have had the opportunity to read the report that the Speaker's Committee published on 15 July, which set out how Mr. Speaker discharged his responsibilities under the Political Parties, Elections and Referendums Act 2000 to select a candidate for the post of chair of the Electoral Commission. It informs the House who is on the panel that advises Mr. Speaker on that selection and it is ably chaired by Baroness Fritchie. As a member of the panel, I can answer any questions that colleagues may have on the way in which the panel went about its business or on the reasoning behind the decisions that it and the Speaker's Committee took. The Minister may be better placed than I to pass on to his Ministry of Justice colleagues any queries about the Government's current legislative proposals as they will affect the commission in so far as those proposals are relevant to the matters before the House this evening.

The panel had to take two decisions: the first on whom to recommend to Mr. Speaker as candidate for the post of chair, and the second on the terms and conditions attaching to that post. Since the commission was set up in 2001, there has been only one chair, Sam Younger. I want to thank him for his leadership of the commission in its formative years. He has many friends in the House, and I am sure that many Members will join in wishing him well. His success in the role is evidenced by the fact that last year he was reappointed for a second term at the request of the House. He bequeaths to his successor an organisation in good shape, ready to face the challenges that are certainly coming. I pay tribute to Sam Younger, and wish him well.

Andrew Mackinlay (Thurrock) (Lab): The hon. Gentleman said that he and his colleagues were involved in the appointment, and that he could answer any questions about it. I believe that the remuneration figure that appeared on the Order Paper some weeks ago was £150,000. I do not know what has happened since—there may have been a printing error—but that is my recollection, and I should like to know what has taken place in the intervening period.

In a parliamentary answer, the hon. Gentleman indicated that the person whose appointment is proposed today would work for approximately three days a week. Is the recommended £100,000 a pro rata payment? Are we talking about £100,000 a year for a three-day week, or £60,000 a year? I think we should be told, and I should be grateful if the hon. Gentleman provided clarification.

Sir Peter Viggers: The hon. Gentleman has asked some pertinent questions. He will not be surprised to hear that I am about to deal specifically with the two points that he has raised. I shall deal first with the part-time basis and then with the pay, but I will answer the hon. Gentleman's questions in terms.

Bob Spink (Castle Point) (Ind): Before the hon. Member for Gosport (Sir Peter Viggers) answers those questions, may I join him in paying tribute to Sam Younger? He has worked very hard, and when I speak later I shall cast no aspersions on him whatsoever. He is a great guy.

Sir Peter Viggers: I am grateful to the hon. Gentleman for his comments.

Since the commission had become a well-established feature of the political landscape, the Committee on Standards in Public Life recommended, in its important report of January 2007, that the post of chairman be held on a part-time basis. The Speaker's Committee

[Sir Peter Viggers]

accepted that recommendation, and considered it desirable for the post to be filled on a part-time rather than a full-time basis. That underlines the non-executive nature of the role, and is entirely in line with similar public sector appointments. The panel appointed by Mr. Speaker took the same view. Mr. Speaker also wrote to a number of eminent public figures seeking their opinions on the matter, and they were overwhelmingly in favour of moving to a part-time appointment. So, too, were the leading firms of recruitment consultants with whom the panel discussed the question. The post was therefore advertised as involving a commitment of, typically, three days a week.

The report of the Speaker's Committee also records the original decision, made in March 2008, to maintain the existing level of remuneration for the post, notwithstanding the move to a part-time role. That decision, too, was made after extensive discussion and careful consideration. Again, the panel asked leading consultants for their opinions. These were consistent with the advice received from others, which was that if we really wanted to attract a first-class candidate for the post—and in the view of the Speaker's Committee, the post was too important for us to settle for anything less—we should not reduce the salary from the level set by Parliament.

Bob Spink: Will the hon. Gentleman please put on record for the benefit of Members what Sam Younger is currently paid in his full-time post?

Sir Peter Viggers: I shall come to exactly that point. I am about to deal with the issue of remuneration, and it may be helpful if I do so in my own way.

Rob Marris (Wolverhampton, South-West) (Lab): The hon. Gentleman referred to the criteria that were adopted. I do not recall whether he used the word "consultants", but he said that outside advice had been taken on what criteria were appropriate for the securing of a suitable candidate. Was public service—that somewhat devalued but to me extremely important factor—taken into account? As I said in the Chamber recently in the context of the Information Commissioner, we keep comparing senior public servants doing important jobs with those in the private sector in terms of remuneration, while not taking into account what I consider to be the vital issue of devotion to public service, which often involves a sacrifice in view of what the individual in question could earn in the private sector.

Sir Peter Viggers: I take the hon. Gentleman's point, and when I conclude my arguments, he may feel that it has been well met.

It is important to note that, pro rata, the original offer was not off the scale for non-executive chairs. The chair of the Child Maintenance and Enforcement Commission is paid at this rate, as are the chairs of HM Revenue and Customs and the Court Service board, and the chair of Ofcom is paid at a slightly higher rate. The fact is that there is a highly competitive market to secure the services of the best people. I can tell the House that two very credible candidates dropped out of this competition, in one case at the very last minute, because they had accepted other offers.

I need hardly remind Members tonight of the importance of the work of the Electoral Commission to all of us, to our parties and to our constituents. The Committee on Standards in Public Life emphasised this and stressed how important it is for the Electoral Commission to have strong direction and leadership. Accordingly, the post was offered and accepted, with the consent of the Treasury, on the basis of £150,000 a year for a part-time appointment.

However, events have moved on. It became clear to the Speaker's Committee that the House was unlikely to support the remuneration proposal. We therefore had to reopen the whole question and, in essence, to invite the candidate, Jenny Watson, to accept a pay cut. I recognise that this could hardly be described as best practice, but it reflected the situation we were in. We were very fortunate indeed that Jenny Watson was prepared to go along with this; she could so easily have walked away from it, and the fact that she did not do so is a testament to her commitment to public service and the job. The revised salary of £100,000 a year is very close, pro rata, to the salary of the incumbent, which now stands at £155,000 a year and which would have been uprated next year in line with a previous resolution of the House. It is also well within the range of salaries for non-executive roles of this kind in public service.

Bob Spink: I do not wish to cast any aspersions on the candidate; I have never met her and I was not party to the interviews. Can the hon. Gentleman tell us whether she holds any other posts, and whether she will be doing any other paid work in the other two days or at any other time?

Sir Peter Viggers: In the Speaker's Committee's first report of 2008, what other appointments Jenny Watson has are spelled out, and it is made clear that she will resign from all those posts with the exception of the Audit Commission, although she has also undertaken to review her position there, should it seem—which is not the advice that has been given to her by various bodies—that there is a conflict of interests. Therefore, she will remain a member of the Audit Commission.

Andrew Mackinlay: How many days a week, or a month, is the Audit Commission post for?

Sir Peter Viggers: I cannot answer that question as I stand here now, but I will inquire. My understanding is that it is not very demanding in time terms.

I now turn to the candidate herself, who, in the opinion of the panel, the Speaker's Committee, Mr. Speaker himself and the leaders of all the main political parties, is the right person for this job. Jenny Watson has a breadth of experience few others could match. She has chaired a large public sector organisation—the Equal Opportunities Commission—with distinction and flair. No less important, she has experience as a regulator. Most crucially in the context of the role it is now proposed she be appointed to perform, she has demonstrated that she can lead an organisation through change, enabling it to develop and evolve without losing its focus, self-confidence or drive. She knows her way around Westminster and local government, and she has an acute understanding of diversity issues. As I can confirm, at interview Jenny Watson's analysis of the Electoral Commission as an organisation, and of the policy environment in which it works and the complex

challenges it faces and will face in the coming years, was comprehensive and penetrating. She was the unanimous choice of the panel, she has been endorsed by the Speaker's Committee, she has been approved by all the party leaders, and I therefore have no hesitation in inviting the House to support both motions.

5.9 pm

Andrew Mackinlay (Thurrock) (Lab): I listened carefully to the hon. Member for Gosport (Sir Peter Viggers), and I am pleased that we are taking both these motions together because the two issues are indivisible. Obviously I do not know this particular candidate, but I am sure she has the highest of motives and sense of public service.

We are charged with considering this afternoon whether this matter has been handled well. The hon. Gentleman was candid enough with the House to indicate that some of these things had not been thought through, and that does not increase my confidence that the decision we are going to make this afternoon is the correct one. To put it simply, we should send the homework back. Wider consultation should be carried out within the various party groups about what is required of this post.

Originally the salary was going to be £150,000 for three days a week, and I believe the hon. Gentleman said it was felt that that could not get past the House of Commons—hon. Members may check that in the official record, if necessary. How right he was. Just because the amount is reduced like this, in an unsophisticated way, that does not mean that a salary of £100,000 for this post is acceptable—it is not acceptable to me, because I think it a disproportionate amount. The hon. Gentleman then prayed in aid recruitment consultants who thought this figure was okay—well they would, wouldn't they? If ever there were an abuse and waste of public money, it is recruitment consultants. It is time this House of Commons baulked at this sort of thing, because many people are qualified to do this job, could do it to the satisfaction of all the political groups in this House and throughout the United Kingdom, and would do it for a much reduced salary.

I am favourably disposed towards the amendment tabled by the hon. Member for Castle Point (Bob Spink), which proposes that the salary should be comparable to the pay of a Member of Parliament. That would be a reasonable compromise. One of the reasons why I shall invite the House to reject both these motions—I think that we will probably have to divide the House on the first one—is because I want us to send the homework back. If we reject the appointment, this good lady can still be considered, but that will be following further consultation and reflection by the hon. Member for Gosport and his colleagues, and following discussions within the party groups.

Simon Hughes (North Southwark and Bermondsey) (LD) *rose*—

Rob Marris *rose*—

Andrew Mackinlay: I will give way to the hon. Member for North Southwark and Bermondsey (Simon Hughes) and then to my hon. Friend.

Mr. Deputy Speaker: Order. Before the hon. Gentleman gives way to other hon. Members, I should advise him that amendment (a), which stands in the name of the hon. Member for Castle Point (Bob Spink) and to which he just referred, has not been selected.

Andrew Mackinlay: I am grateful for that clarification, Mr. Deputy Speaker. In a sense, it buttresses my point that the Division must come on the first motion.

Mr. Deputy Speaker: I just wanted to make the position clear. I call Simon Hughes.

Simon Hughes: The hon. Member for Thurrock (Andrew Mackinlay) and I were both present for a debate about a fortnight ago on the salary of the Information Commissioner. Does he take the view that jobs such as that one and this—public sector jobs on which Parliament has to make the decision, of which there are a few—should have comparable salaries? Should the Information Commissioner's job be valued at the same worth—per week, per month or per year—as that of the chair of the Electoral Commission?

Andrew Mackinlay: The jobs should probably be in the same band, but there is a danger of our comparing an apple with an orange. The hon. Member for Gosport prayed in aid this candidate's work on regulatory bodies. Special qualities are probably required for jobs on some of the regulatory bodies and even for the job of Information Commissioner; indeed, people would look for candidates in a different reservoir. I do not think we are comparing like with like.

I recognise how imperative this role is, but my knowledge of public life means I am aware that many people could undertake this job with enthusiasm and to the satisfaction of the body politic of the United Kingdom, and could do so on a much lower salary. The hon. Member for Gosport did not say that this is so, but I imagine these "wretched" consultants—I used that adjective deliberately, out of despair—would do the initial selection. How kind of them! Even if there had been an open advertisement, the considerations I mention would not have reached the people making the recommended appointment.

Rob Marris: My understanding—and I was here for the previous debate—is that the Information Commissioner is an executive position. This debate is about the chair of a body, which is somewhat different. The Information Commissioner will be on £140,000 a year for a five-day week. The individual we are discussing—I do not know whether she is suitable for the job or not, and I make no comment—will be on the equivalent of nearly £167,000 a year, which is quite a bit more than the incumbent who is on £155,000.

Andrew Mackinlay: I am grateful for both those interventions because they buttress my case. The latter intervention makes the point that we are compounding the perversity of such appointments. All the indications are—and the hon. Member for Gosport was frank about this—that it has been handled very clumsily. We need a period of reflection.

The hon. Gentleman also told the House that, if appointed, the good lady will resign from all her other appointments except that of board member of the

[Andrew Mackinlay]

Audit Commission. But I suspect that there is a handsome salary for that; perhaps we could be told if that is so, and how many days a week it requires. If it is three days, basic arithmetic tells us that that person would be overworked, and that would be distressing. We have far too many examples of quango man and quango woman, and I am not prepared to put up with it any longer.

Mr. John Horam (Orpington) (Con): Does the hon. Gentleman agree that all quango appointments of this kind—many are similar, but some are quite different—should be subject to scrutiny by the House, not necessarily in a debate on the Floor of the House as we are having now, but by the appropriate Select Committee? That would be a way forward for the consideration of remuneration of individuals in relation to the jobs they perform. *[Interruption.]*

Andrew Mackinlay: The hon. Gentleman will have heard the echo from behind me. Many of us think there should be some scrutiny of appointments, the ground rules, the terms and conditions of services and the pay and rations by the appropriate Select Committee before we embark on the advertisement and the selection of a shortlist. If we reject this proposal, perhaps it will signal a change from the sloppy appointments to which, by our silence, we have acquiesced for too long.

Mr. Denis MacShane (Rotherham) (Lab): As so often, my hon. Friend speaks for the House of Commons in the wider sense. I do not want to see the Mace put down a notch to turn this into a remuneration Committee of the whole House on every public appointment. That would be a nightmare, but the symptoms betray deep concern with the Electoral Commission itself. That is why I would be very happy to vote with my hon. Friend. I have much respect and affection for the hon. Member for Gosport (Sir Peter Viggers), who works very hard, but the Electoral Commission is profoundly flawed, and we need a deeper debate on that, rather than having this displacement discussion about the salary of this poor woman.

Andrew Mackinlay: I do not want to labour the point, but I got the Library to give me the job description for the post in question. Frankly, if that job description is to be fulfilled, three days a week is wholly inadequate. I realise that this is not a packed House, but we may have the opportunity later to persuade some people to be prudent and reject this motion so that the body politic—the political parties and Members—can reflect on the situation. We could have a better appointment, either with the same candidate or with a wider trawl, and dispense with the so-called recruitment consultants. We could have a new beginning, with appointments compared with one another. We could consider the pool for likely candidates and reflect the marketplace. As important as this job is, the marketplace is probably much wider than has been reflected so far. I hope that the House will reject the motion, as that would do a great deal for the Electoral Commission and for the House of Commons.

Dr. Alan Whitehead (Southampton, Test) (Lab): Following the intervention by my right hon. Friend the Member for Rotherham (Mr. MacShane), does my hon. Friend not agree that it is rather important to ensure right now that we have a chair of the Electoral Commission? The debate about the commission's future, which is important, needs to be held. The House is halfway through consideration of the Political Parties and Elections Bill, which will have substantial implications for the work of the Electoral Commission in the future. Does my hon. Friend not agree that in principle it would be a very good idea if we made sure that the Electoral Commission had a new chair, who could take the issues forward? Is he sure in his own mind that using the debate this evening as a substitute for the proper debate on the future of the Electoral Commission that ought to be held is a path that should not be pursued?

Andrew Mackinlay: My hon. Friend rightly raises the critical stage we have reached both for the legislation before this House and for the work of the Electoral Commission. Of course, it is a sensitive time. I would not choose to make the changes at this stage. It is not for the House of Commons to micro-manage the situation, but my point is still valid. For instance, was it impossible to ask the existing chairman to stay on for a period? In a sense, my hon. Friend's point supports the notion that that chairman should see things through and should provide continuity. Presumably, there is a vice-chairman, who is no doubt on a substantial salary. He or she could act up. The timing is not ideal, but if we let things go, we will have abdicated our responsibility to our constituents, who, if they saw this debate or noticed any reports of it, would see it as a disproportionate expenditure and an offence at this time of constraints. That is my case.

5.22 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): I am afraid I shall have to disappoint the hon. Member for Thurrock (Andrew Mackinlay) by saying that I support the motions, the remuneration and the appointment in general.

As the Speaker's Committee and my hon. Friend the Member for Gosport (Sir Peter Viggers) made clear, Ms Jenny Watson has an excellent CV that demonstrates experience, leadership and management skills, all of which will be required to steer the Electoral Commission forward over the coming years. She has a proven track record of public service, as we have heard. For example, she was chairman of the Equal Opportunities Commission as well as a member of the board of the Audit Commission. I am told on reliable authority by several people that she served with distinction in both roles and that there was no reason to reproach her in any way.

The role of the chairman of the Electoral Commission is high profile, and it is likely to become even more so, Mr. Deputy Chairman, as new legislation on the financing of political parties progresses through the House. When that legislation is finally enacted, the Electoral Commission will face different and difficult challenges to ensure that any new financing regime is properly complied with. Having seen Ms Watson's CV and read the glowing tribute of the Speaker's Committee that recommends her appointment, I think that she should be more than able to deal with the issues that will arise.

May I also put on record our thanks to the outgoing chairman of the Commission, Mr. Sam Younger, for the service he has given since the Commission was created in 2001? Mr. Younger's place in political history

is secure as the man who got the commission up and running. We thank him for all his efforts in the past few years.

As regards remuneration, Mr. Deputy Chairman, if we are to attract the right person for the job it makes sense that they should be paid a competitive salary commensurate with their experience, skills and qualifications. The role of chairman of the Electoral Commission requires many qualities, such as leadership, strategic vision, management and so on. Let us not forget the high-profile nature of the job.

Bob Marris: Will the hon. Gentleman give way?

Mr. Vara: I am mindful that we have two debates merged into one, for which we have only one and a half hours. There have been several interventions already, and I am aware that several Members wish to speak. I trust that the hon. Gentleman will forgive me if I do not allow him to intervene, but I intend to keep my comments brief to ensure that as many hon. Members as possible have an opportunity to speak. I trust that he will bear with me.

As I said, the role of chairman requires many qualities, and it is also very high profile.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): Anyone could do it!

Mr. Vara: From a sedentary position, the hon. Gentleman says that anyone could do it, but I am minded to say that, if he felt he could do it, he should have put his name forward. I am also tempted to say that he probably would not have got the job.

We should be mindful that the salary that Ms Watson has accepted is much less than the one initially advertised. The suitability of the candidate for the post of chairman is not in doubt and, if we are to have the right candidate, we must be prepared to pay the right amount. Given all the circumstances, I am happy to rely on the judgment of those trusted with making the final selection regarding the final amount of pay for this position.

I conclude by thanking my hon. Friend the Member for Gosport and his colleagues for undertaking this task. They put in a lot of hard work, and they did their job with distinction. For that, I thank them.

5.26 pm

Mr. Gordon Prentice (Pendle) (Lab): I am going to disappoint my friends down there by saying that I am not going to concentrate on Jenny Watson's salary. Instead, I am going to talk about the nature of the job, and perhaps say a little bit about Jenny Watson.

I support her appointment. She is a former chair of the Equal Opportunities Commission, and is a continuing member of the Audit Commission. In no sense is that a full-time job, and it is probably not even a part-time one: I do not know how often the commission meets, but it cannot be very often. Previously, she worked for Liberty, Charter88 and the Human Rights Act research unit at King's college, London. She is a published author, and an independent director of the Banking Code Standards Board. She is also a deputy chair of the UK's Committee on Radioactive Waste Management, and of the advisory board of the British Institute of Human Rights. So she has had experience in a very large number of fields, but what kind of qualities should we expect from the chair of the Electoral Commission?

I say that we need someone of robust independence, who is willing to speak out and to challenge—and, if necessary, face down—the Government of the day. Governments come and Governments go, but the Electoral Commission, as part of our constitutional framework, is there to police the electoral system and keep our politics clean. Of all the ethical and regulatory watchdogs, the Electoral Commission may be the most important.

The Electoral Commission has barked in the past, and the Government have ignored it. It barked in 2003, when it made a call for individual voter registration. The Government said that they would not go down that road, or include it in the Bill that became the Electoral Administration Act 2006.

Astonishingly, the Electoral Commission went public, and said—in public—that it disagreed with the Government's position and that it wanted individual voter registration. That was picked up by the Committee on Standards in Public Life, the ethical watchdog that presides over all the others. The hon. Member for Gosport (Sir Peter Viggers) referred to it earlier, and it was also in favour of individual voter registration.

I am not telling tales out of school, but I remember having a conversation with Sam Younger and asking him, "If you and the rest of the Electoral Commission thought that the way in which our electoral system was being compromised was so important that it required you to speak out publicly, you should have resigned. That would have forced the Government to think again."

I am very much in favour of individual voter registration. I have a constituent who is one of 27 adults living in a house of 44 people, and I do not know who the head of household is.

Mrs. Eleanor Laing (Epping Forest) (Con): The hon. Gentleman may have noticed during the passage of the Political Parties and Elections Bill that the electoral commissioner, instead of resigning and running away from the issue, persisted with individual voter registration, as did the Opposition. I tabled an amendment to the Bill, which of course the hon. Gentleman's Government voted down, but those of us who believe in individual voter registration still persist, with the backing of the Electoral Commission, quite properly and democratically.

Mr. Prentice: The point is that resignation is the nuclear option. I like Sam Younger and I have no problems with him as an individual, but if the Electoral Commission really believes that our electoral system is being compromised by household registration, its chair should have resigned. That is my view, so we differ.

As I was saying, my constituent shares a house with 27 members of his huge extended family. Someone would have signed the electoral registration form as the designated head of household, and when I wrote to the chief executive of my local council—

Mr. Deputy Speaker: Order. I am reluctant to stop the hon. Gentleman, but this is not a general debate about the electoral system. It is about two specific motions, so perhaps he could direct his remarks to them.

Mr. Prentice: I am trying hard to stay in order, Mr. Deputy Speaker, but I want to draw the attention of the House to the importance of the Electoral Commission, which may have a bearing on salary, remuneration and all those other matters.

Our electoral practices need constant running repairs. There have been allegations of fraud in Birmingham, Slough and Peterborough. The Parliamentary Assembly of the Council of Europe has floated the suggestion that electoral practices should be monitored in the United Kingdom, which is absolutely astonishing. Whoever chairs the Electoral Commission has an extremely important job to do and I am happy to endorse Jenny Watson as the new chair.

5.32 pm

Simon Hughes (North Southwark and Bermondsey) (LD): I want to start where the hon. Member for Pendle (Mr. Prentice) left off. I support the Electoral Commission as a body. We need it to be strong and robust and I wish it to be stronger and more robust in future than it has been until now.

I am glad that the proposal that the commission has some political appointees has been accepted. People with political experience will help it to be more robust; they will be a minority, not a majority, and will make it do its job better. We should change our procedures so that when the Electoral Commission makes a recommendation, such as the one about individual voter registration, which has been the most controversial one recently and was referred to by the hon. Member for Epping Forest (Mrs. Laing), it is automatically laid before the House. There has to be some mechanism—it might be proposed by the representative of the Speaker's Committee—but there should be a motion before the House so that if the Government want to change it they have to table an amendment. We would thus be able to see what the Electoral Commission—the independent body set up by Parliament—is proposing. Such a motion should also be laid within, say, 21 days of the commission making its recommendation. At present, when the commission makes a report, the Government can sit on it—they can deliberate, form a view, stall, delay and disagree, and in the end they can use their payroll vote and their majority to block things.

I hope we have a robust Electoral Commission. In the debates on the Political Parties and Elections Bill and elsewhere, I shall be looking to ensure that we strengthen the commission in that respect. In that context, I too pay tribute to Sam Younger. I have always found him courteous, proactive, consistent, accommodating and assiduous, but clearly independent. Through him, I thank his staff, who have been extremely helpful and made it their business to be available to MPs, both on a party and individual basis. They attend our conferences to make sure that our parties understand the score and they do their job well and publicly, so I hope we can recognise that the Electoral Commission under its first chair has done a good job.

Where do we go now? We clearly need a new chair. I do not know Jennifer Watson well, although I have met her. In my view, she is clearly eminently qualified to do the job. The hon. Member for Pendle read out parts of her work history. It is set out in the helpful report that the Speaker's Committee on the Electoral Commission has given us as its first report of 2008 on this subject. Not least because of her recent job as the chair of the Equal Opportunities Commission, in which role I have seen her work, she comes with great credibility and great authority. Hers is a very good appointment. As the hon. Gentleman said in his introduction, it is surprising in a way that her name is still in the frame, given that, putting it crudely, she got messed around in the process. She applied; she was asked to do the job at one salary, but in the end, people said, "We'd like you to do the job, but we're cutting the salary by a third."

Mr. Purchase: About £50,000.

Simon Hughes: I will come to the salary in a moment, but Jennifer Watson will do the job admirably well.

Of course, there is a difference between this decision and the one that we made a couple weeks ago with the Information Commissioner: this one involves the appointment of the commissioners, whereas last time, as was rightly said, we were appointing a chief executive. This is a different role. Of course, the Electoral Commission will have a chief executive as well. Question: what is the right salary? I am always uncomfortable once we get into six-figure sums for salaries for part-time jobs, but I am persuaded that, given where we are, we probably cannot get someone of the quality of the proposed new chair to do the job for less than that sort of money.

Mr. Purchase: But £25,000, plus expenses, is more than enough.

Simon Hughes: No, no; I am afraid that that is a ridiculous and nonsensical proposal.

Mr. Purchase: Go and tell that to the dole queue.

Simon Hughes: The hon. Gentleman may not like the Electoral Commission. I have heard mutterings that he does not like it as a body, but it is an important, robust body, and we need it. If we are to give it authority, it needs a chair who will have authority, speak with authority, be independent and robust and speak in the public domain, and Jennifer Watson will do that in my view. It is also good that the chair will be a woman, but that is a separate but not irrelevant issue, given that one of the deficiencies of the House is the continuing relatively small number of women who are Members of Parliament.

The salary is appropriate, given where we are, for the job at this time. We should be grateful to Jennifer Watson for accepting the revised terms, which are much less than she had accepted. It is clear from the proposal that it will be a three-day-a-week job. She will do it full-time for three days a week. She may do more than 24 hours over the three days. I have not heard the result of the vote in the European Parliament on the European working time directive. Personally, I support the UK's continuing opt-out, and I hope that the European Parliament has voted for that. I imagine that she might do more than 24 hours a week, which would be three eight-hour days.

Mr. Purchase: It is only a desk job.

Simon Hughes: The hon. Gentleman's job is in large part a desk job, and he is paid £60,000-odd for his job. The hon. Member for Castle Point (Bob Spink) proposes

that the salary should be the same as that of MPs. We have debated MPs' salaries. We have come to the view that they should be about 60 grand. Our constituents probably think that that is about right on balance. Some of them think that it is too much; some think that it is too little. However, I want to make the wider point, although we cannot debate it now, that there is a debate to be had about the level of top salaries in the public and the private sectors. For me, the issue is that, when some of the private sector has grossly and excessively paid people ridiculous and silly salaries and failed—we have now seen the result of that ridiculous overstretching—it is not surprising that the public sector has had to offer higher salaries to be in the same market for good people.

Rob Marris: And that should not be so.

Simon Hughes: I will come to that in a moment, but the reality is that people have a choice—whether to go to a private or a public sector job—and often, with this sort of salary, they may choose a public sector job, as Jennifer Watson did, but without such a salary, they may go off to the private sector.

David Taylor (North-West Leicestershire) (Lab/Co-op): Of course, the hon. Gentleman is right that the time is now ripe for a re-evaluation of top salaries in the public sector. However, does he acknowledge that the salaries attached to jobs such as this emerge from cosy, self-seeking, incestuous cabals in the recruitment agencies who promote that level of pay with little reference to other areas of the public sector? This matter has a strong resemblance to the so-called independent remuneration committees that are so evident and ubiquitous in the private sector. We have to start to reverse the spiral somewhere.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Member for North Southwark and Bermondsey (Simon Hughes) himself said that this was not the time or place for a debate about the wider issue, but he has succeeded in igniting one. May I suggest that we go back to the specific terms of the motions that we are discussing?

Simon Hughes: As I saw you move towards the front of your Chair earlier, Mr. Deputy Speaker, I was careful to ensure that I kept close to the motion. I am aware of the danger. However, before I finish I want—if it is in order, of course—to make sure that I link this with the fact that we are asked to appoint somebody at a specific salary. There is a relativity point, which I hope you will accept, Mr. Deputy Speaker, is properly in order.

Mr. Prentice: I think that it would help the House if Members knew that the Public Administration Committee is about to embark on an inquiry into public sector salaries early next year.

Mr. Deputy Speaker: Order. That has successfully doused the debate.

Simon Hughes: It will certainly allow the fire to be brought under control much more quickly—I agree with that, Mr. Deputy Speaker. I did not know about the inquiry, so the hon. Gentleman's intervention is very helpful.

I support the measure and I recommend that my colleagues support the two motions on the Order Paper. I hope that Jennifer Watson takes up her post in the new year, and does so robustly. However, I hope that before similar proposals are put before us on other appointments that are in our gift, we have completed the exercise of comparability—across not only the public sector but the private sector. One of the scandals of Britain in 2008 is that the gap between the well-off and less well-off has widened, and far too many people are paid ridiculously high salaries when many of our constituents have very little indeed. Unless we redress that, every debate on such matters will be provocative and a lot of people will be regarded as far too well paid relative to most of the people whom they seek to serve.

5.42 pm

Rob Marris (Wolverhampton, South-West) (Lab): First, I thank the House of Commons Commission for its helpful report, on which a lot of work has been done, led by the hon. Member for Gosport (Sir Peter Viggers). I also thank the hon. Gentleman for his earlier remarks, which illuminated my own thoughts on this matter.

On the first motion, I have never met Jenny Watson, as I said in an intervention, and I have no idea about her other than what has been said in this debate and what is in the report. From what has been said in the debate, particularly by my hon. Friend the Member for Pendle (Mr. Prentice), she sounds like an excellent candidate for the role. However, the direction of my remarks will be to agree with my hon. Friend the Member for Thurrock (Andrew Mackinlay). The two motions—one to appoint a specific individual and the other dealing with the remuneration of whoever the chair of the Electoral Commission might be—will be taken together. That means that because I have severe reservations about the remuneration, which I will come to in a moment when I speak to the second motion, I will be driven to reject this candidate at this stage under the first motion.

The hon. Member for Gosport helpfully pointed out that the initial decision, as I understand it—he will correct me if I misunderstood—was to appoint this candidate on pay of £150,000 for a three-day week. There was then, I suspect, a debate among his Committee, and perhaps others, to the effect that that might not find favour in the House of Commons and that it should rethink the approach and the remuneration. I suspect strongly, although I have no direct evidence, that he and his colleagues were right about that, and that a proposal for £150,000 for a three-day week would not have succeeded before this Chamber.

Although one can talk about the excellent qualities that the candidate referred to in the first motion seems to have, and the fact that there may well be a limited number of people who could do such a job as effectively as she could, there are conversely a limited number of positions in connection with such work available for people who have those sorts of qualifications. That must come into the equation when one is appointing a person to any job.

Before I entered this place, I was one of the leading experts in the legal profession in the west midlands on vibration white finger, although the field was small. I say that to illuminate my point. However, if I had sought a job at a firm other than the one in which I was

[Rob Marris]

a partner, I would have found it difficult, because there are not a lot of jobs around for legal experts on vibration white finger. *[Interruption.]* I had to become an MP, of course, as the Deputy Leader of the House says from a sedentary position. The issue is not only the qualities and abilities of the candidate—in this case Jennifer Watson. There are a limited number of people who could do such jobs, but there are also a limited number of those jobs available; that has to be fed into our considerations.

The second motion mentions £100,000 for a three-day week. In round terms, pro rata, that is £167,000 a year for a five-day week. The current incumbent is on £155,000 for a five-day week. That is not a vast pay increase—it is in the order of 8 per cent., off the top of my head—but it is a pay increase. That causes me concern, given that we are discussing the chair of a body, as I said in an intervention—the point was picked up by the hon. Member for North Southwark and Bermondsey (Simon Hughes)—and not the chief executive. From memory, the Information Commissioner, whose remuneration we debated a couple of weeks ago, receives £140,000 a year as chief executive of an organisation that has something like 286,000 employees.

Sir Alan Beith (Berwick-upon-Tweed) (LD): It has 286 employees.

Rob Marris: Yes, and a budget of something like £13 million. It is an executive position. Tonight, we are talking about a chair who will be on something like 15 per cent. more per year, pro rata, than the Information Commissioner, who has an executive position. The Information Commissioner is also an important public role that touches the lives of all our constituents, in terms of data protection, freedom of information requests and so on.

David Taylor: We were told, in an effort to pacify, reassure and convince us, that the salary is competitive, as though the job were being passed around a small number of candidates with lots of other jobs, and as though the salary had to be upped to the point at which someone would take it. Surely it is the other way around: surely there are substantial numbers of people out there who could do the job—I am sure that the candidate is a fine person—and who would do it for rather less than the figure that we are talking about.

Rob Marris: I agree with my hon. Friend, to the extent that I agree that there is a substantial number of people out there—thousands in my constituency—who would do the job for £100,000 for three days a week, but with all due respect to my constituents, there are not thousands of them who could do that difficult job. I am not sure that there are vast numbers of people who could do the job and who would wish to put their name forward—that is, who do not like their current job, are unemployed or have three days a week spare. However, as I was saying earlier, there are a limited number of such positions for people who have those skills.

We have to bear in mind the notion of public service when we consider the remuneration of the individual. In the public sector, there should of course be remuneration, so that people in the public sector who have a sense of public service can contribute and still pay their mortgage, eat and so on, and so that we get people with certain qualities, but there should not be direct comparison with what an individual with a given set of skills could earn in the private sector.

Looking around the House, I see quite a number of right hon. and hon. Members, including myself, who took pay cuts to come here because of a notion of public service. There is, I am convinced, an even larger number of right hon. and hon. Members who could earn more than they do as Members of Parliament on leaving this place. The reason why they do not leave, and the reason why they are prepared to take a pay cut when they come here, is the notion of public service. The job of chair of the Electoral Commission should involve the notion of public service.

I pay tribute to Jenny Watson for what appears to be her notion of public service. She put her name forward, as I understand it, for a package of £150,000 for three days a week. It was then suggested to her, as the hon. Member for Gosport pointed out, that that may not get through the House of Commons, and she was asked to reconsider the job at £100,000 for three days a week. She said yes—or the motion would not be before us. That is someone who has knocked off a third of the pay for the role that they thought they were going to get, and she clearly seems to have a notion of public service—unless she could not get another job, although we know that she has one, which is another three days a week or so. However, I am so uneasy about the way that the situation has come about and the remuneration for a chair of £167,000 pro rata that I will be driven to vote against both motions, even though I have no dispute whatever with the candidate.

5.51 pm

Bob Spink (Castle Point) (Ind): Thank you, Mr. Deputy Chairman. I feel a little like Scrooge—

Mr. Deputy Speaker: Order. The term "Deputy Chairman" has crept in now for the third time. The hon. Gentleman knows that that is not correct.

Bob Spink: I apologise, Mr. Deputy Speaker.

I feel a little like Scrooge and a little embarrassed that we are even debating an individual and her salary. It seems somewhat below what we should be doing in the Chamber, but we have to do it. It is our duty, so we must approach that task diligently, no matter how embarrassing.

I start by thanking the hon. Member for Gosport (Sir Peter Viggers) for all that he has done, his courtesy and his help in the matter. He has done a sterling job and his words earlier were very helpful, so I thank him most sincerely.

Let me give the House a little of the history. There was a motion on the Order Paper some three weeks ago for a salary of £150,000. I looked at that and thought it was excessive. It was equivalent to a full-time salary of £250,000 a year for a chairmanship. I immediately banged down an amendment to reduce that salary to the level of salary of a Member of Parliament. I thought that that was a reasonable level of pay for a public servant. Excellent arguments have been made about

public service, which is a large factor. With the pension and other benefits that go with it, a salary of £250,000 a year is a very big deal.

Now, Mr. Chairman—sorry, Mr. Deputy Speaker; I think it is because we are debating the subject of the chairman of the commission that I keep making the mistake. When my amendment was tabled, the motion was withdrawn and immediately replaced with a motion for a salary not of £150,000, but of £100,000. That equates to £167,000 a year, with pension and other benefits, which is still quite a substantial salary for such a chairmanship position. It is about the same salary as the Prime Minister gets. I thought it appropriate to table an amendment reducing the £100,000 to the level of salary of a Member of Parliament. That amendment was not selected so we will not debate it tonight.

That change from £150,000 to £100,00 a year in salary has saved the public purse £250,000 over the next four years, along with the pension and benefits. That is quite a substantial sum, so this is not an insubstantial debate. There was a nice round figure of £150,000, and now there is a nice round figure of £100,000, and I wondered where it came from. Let me tell hon. Members where it came from. It was plucked out of thin air. There is no analysis, no job evaluation, no Hay-MSL comparison of salaries. All those tools are available.

There may have been recruitment consultants who were consulted and gave the answer that was sought, and I wonder how much they were paid. Were they paid a percentage of the salary? I suspect that they were, in which case they would want to see the salary higher—*[Interruption.]* Higher or lower? Higher. That is what recruitment consultants do. I know that extremely well, and the House knows that. Was there a formal analysis? Was Hay-MSL used? Was there any job evaluation? If there was, why has that evidence not been presented to the House? It seems to me that the £100,000 was plucked out of thin air.

I come now to the real debate that I wanted and why I challenged the salary in the first place. When pay is being decided—that is what we are doing tonight—it is absolutely right that performance should be considered. What we are considering represents an increase of about 8 per cent. on the current incumbent's salary and we would all agree that performance in the job is an essential consideration.

The Electoral Commission has been warmly praised; the hon. Member for North Southwark and Bermondsey (Simon Hughes) said that it was important, and I agree. It is crucial. The hon. Gentleman said that it was available, courteous and accommodating and that its representatives were nice people; we have all said such things. We know that Sam Younger is a great guy.

Simon Hughes: And robust.

Bob Spink: The hon. Gentleman says "robust"; I would challenge him on that.

Having said all that, I ask what those representatives have done in the job. What has happened during the period of the Electoral Commission's existence? If we look at the facts, we see that it has been a conspicuous failure. The most obvious measure of the health of our democracy and of how well the Electoral Commission is working is what has happened to turnout at elections. That has been falling. When I was first elected in 1992, I was voted in on an 82 per cent. turnout; last time, I think it was below 60 per cent. That indicates a conspicuous failure indeed.

There has been no indication tonight about what this candidate will do to put that failure right. What skills will she bring to the job which will enable her to bring in the innovative, flexible and safe voting options that will enable us to drive turnout at elections back up and improve the health of our democracy as we surely should? While I am on the subject, I should say that the safety of elections is also spiralling out of control. Electoral fraud—particularly postal vote fraud—has been getting more and more common during the Electoral Commission's term of office.

We also see electoral abuses such as the fact that the Conservative party continues to be allowed to fund, with £30,000 or £40,000, the campaigning for a candidate in marginal constituencies before the election is called. That is totally against any public perception of fair play and the spirit of our democracy. What has the Electoral Commission done to stop that? Nothing—it is still going on.

Simon Hughes: The hon. Gentleman has a perfectly reasonable set of complaints about our political process, but none of them is fairly directed at the Electoral Commission. It cannot decide what percentage of people vote. It cannot write new laws; we do that. If the Tory party gives such huge sums in funds for campaigning for seats, that is because we have allowed it to do that and Parliament has not changed the law. The hon. Gentleman should please not blame the Electoral Commission for things that are the fault of the Parliament of the United Kingdom.

Bob Spink: I accept the hon. Gentleman's complaint in part, but the hon. Member for Pendle (Mr. Prentice) made another point more eloquently than I could: if the Electoral Commission wanted to, it could have taken the nuclear option on any of those issues and forced the hand of the Government and Parliament to make changes that would have improved the health of our electoral system and democracy.

Mr. Gordon Prentice: I should say to the hon. Member for North Southwark and Bermondsey (Simon Hughes) that Alistair Graham, the former chair of the Committee on Standards in Public Life, was publicly very critical of the Electoral Commission. The hon. Member for Castle Point (Bob Spink) is absolutely right.

Bob Spink: I am grateful for that support from the opposite Benches; I am getting more and more support from them these days.

There has been another failure of the Electoral Commission, and it relates to the commission's direct responsibility: its failure to deal with the transgressions of electoral returning officers.

Mr. Deputy Speaker: Order. I have to say to the hon. Gentleman that this is not a debate about the past performance of the Electoral Commission. That is not within the terms of the motions. A slight reference to that might be acceptable, but we cannot have the sort of debate that the hon. Gentleman appears to be conducting.

Bob Spink: I accept that. I realise that Christmas is coming fast, and I wish you, and all who work in this House in any capacity a very happy Christmas, by the way—

Mr. Deputy Speaker: Order. The hon. Gentleman is now way out of order, however agreeable his sentiments may be.

Bob Spink: I will come straight back into order. We would have liked to have heard about how this particular candidate will address these shortcomings, but I take your advice, Mr. Deputy Speaker.

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): We heard earlier lots of analogies from the private sector. In the private sector, incentives and performance-related pay may be used. The hon. Gentleman listed some of the objectives of the commission. Would he support a system whereby, during the period of office, performance-related pay would apply if certain key criteria laid down by Parliament were met?

Bob Spink: That is an excellent idea. The hon. Gentleman can achieve that by voting against the proposal, so that those behind it can do their homework, as the hon. Member for Thurrock (Andrew Mackinlay) suggested, and come back to the House with a better scheme.

David Taylor: I think that this point is in order, Mr. Deputy Speaker. A performance indicator for the Electoral Commission might assist in future remuneration discussions, but we should certainly not choose electoral turnout. It was 87 per cent. in North-West Leicestershire in 1992—the highest in the country. The responsibility for turnout, as the hon. Member for North Southwark and Bermondsey (Simon Hughes) said, lies in this place. We should go for something like the level of electoral registration. There may be some sense in that.

Bob Spink: We are now spoilt for choice with excellent ideas and innovations. I hope that the House will divide tonight. I hope that we will reject the measure, so that a more well-thought-out set of proposals will be put before the House which will enable us to pick the right candidate, who will address the issues raised while being paid the right level of salary.

My final point is a swipe at quangos. The public perceive that it is a matter of jobs for the boys, and that we are prepared to pay them public money; we can throw it around. We are not going to throw it at teachers, policemen or firemen when they come, cap in hand, for their pay increases. They will be told, "Sorry, there is nothing in the cupboard for you." But here we are, throwing public money at our friends. That is how the public perceive the situation, and we must change it. This debate is embarrassing, and we really should not be having it in this Chamber.

6.2 pm

Dr. Alan Whitehead (Southampton, Test) (Lab): If we do reject these motions tonight, the public will not say that it is about jobs for the boys, but that the boys have decided that there should not be a job. If we put ourselves in that position, we will send a worrying and damaging message about the real debate on the Electoral Commission. Unlike other regulators, the commission is not a quango regulator; instead it directly, and often intimately, affects the activities and lives of every Member of this House.

It is important that we get the right person to be the new chair of the Electoral Commission. Whatever we may think about the detail of the procedures governing the proposals on the appointment and final salary, the debate should not swing around whether we appoint someone or not. Discussions about procedures may be carried on by other means. We have heard the proposed salary compared with that of the Prime Minister, but it is lower than the salary of a local authority chief executive. It is not much higher than the salary of a senior electoral registration officer, whose role is to increase voter turnout, and who has a fairly intimate relationship—*[Interruption.]* I said a little higher.

Rob Marris: Double.

Dr. Whitehead: Perhaps we should look at that.

Simon Hughes: I challenge the hon. Gentleman to find any electoral registration officer in any local authority—[HON. MEMBERS: "Returning officer."] Returning officers are the chief executives, but the people who deal with elections on a day-to-day basis are paid £20,000, £30,000 or £40,000, not £140,000.

Dr. Whitehead: As far as public sector pay is concerned, I do not think that the suggested salary is completely out of line with the sort of salaries that are paid to those in public service work such as local authority chief executives. I accept that it is quite a bit more than what local electoral registration officers are paid—although that varies in different local authorities—but the suggested salary is not comparable with, say, the quite obscene private sector salaries that are paid for what appears to be very little work on boards, for non-executive directorships and so on, which the House should quite properly continue to be concerned about.

What I want to emphasise about the appointment—how we think about it and how we vote on it this evening—is not just the message that may be sent out if it is believed that we are having a proxy debate about the Electoral Commission, rather than a real debate about appointing someone to head it. If that is believed to be case, the message that we will send out by rejecting the motion this evening will have a wholly destructive effect on the necessary future relationship between this House and the Electoral Commission.

It is essential that the Electoral Commission should be independent and robust, that it should speak up when it needs to, that it should be heard when it speaks up and that it should be seen to be holding the ring properly and impartially in electoral matters and on a range of issues that relate to them. Indeed, the Political Parties and Elections Bill, which is shortly to return to this House on Report, will be seen almost as a new beginning for the Electoral Commission and a number of the things that it does, in terms of who is a commissioner, the proposed changes in the appointment of commissioners, which the hon. Member for North Southwark and Bermondsey (Simon Hughes) mentioned, the Electoral

Commission's powers—perhaps amendments tabled on Report will eventually find their way into the Bill—trigger mechanisms for electoral spending and possibly even registration.

All those matters will centrally involve the Electoral Commission. At that new phase in its life, it is vital that the Electoral Commission should have a chairman, be fully functioning and work properly, robustly and independently, in the way that has been described. If we in this House say tonight, "Let's not make an appointment. Let's consider everything for a little while and come back later," but then introduce that new stage, the Electoral Commission will appear to be without leadership—rudderless and without a way forward. At that point, it may be said that that result arose because the House deliberately connived at it, and not for any other reason. If that is thought to be the case, it will be a sorry outcome.

I am sure that the discussions that hon. Members have had this evening have not intentionally aimed at that outcome. I am sure, too, not only that a proper discussion of the Electoral Commission's role can take place when we debate the Bill on Report and at other stages, but that there ought to be an ongoing examination of whether some of the things that the Electoral Commission has done in the past or will do in the future are completely right. Those matters, however, are not matters for debate this evening. It is important not only that we make the appointment and ensure that the Electoral Commission should have access to the powers and constraints under the legislation that is currently passing through the House to do its job, but that it is headed in a way that makes that possible, that a public announcement is made that that is the way forward that we all want to take and, above all, that we support the independence and future work of the Electoral Commission.

6.10 pm

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): This debate is perhaps more important than we imagine. I wonder whether other Members share my view that the rise of the quangocracy has coincided exactly with the fall in the respect in which this House is held. The more we have given away to so-called independents, the less respect we have had, because we have become less and less powerful, and less and less able to represent our constituents. We talk about independence as though it is some kind of formula but, in truth, no one is independent. Everyone brings their baggage with them. If they have no baggage, it is almost certain that they have very little judgment. So we are starting off in a difficult set of circumstances. The rise and rise of the quangocracy will be supported if the motions are agreed tonight.

A colleague has suggested that we should think, review and reflect once more about this post. Let us imagine for a moment what our purpose in life is. It is to make a difference through the decisions that we make here in the House, but we have contracted them out, privatised them and given them to quangos. The person who wants to do this job is not the person who should get it. As Groucho Marx once said, "I don't care to be a member of any club that would have me as a member." More seriously, I shall give the House the example of a friend of mine who was a police officer. He was recruiting marksmen, and he told me that he never once accepted a volunteer. He always preferred to recruit them in a different way, because it was dangerous for volunteers to be police marksmen.

As other hon. Members have said, the establishment of the Electoral Commission has not led to more people voting, or to young people getting more excited about politics. Nor has it led to any greater respect for people in this House. Things have got worse, not better. Is there a correlation? Well, no, because the Electoral Commission is pretty unimportant as a body. It has done nothing worth talking about, barring getting into the headlines from time to time to drag hon. Members over the coals for failing to report something on time. Those are peccadillos as far as the general public are concerned.

When I mentioned to the hon. Member for North Southwark and Bermondsey (Simon Hughes) that anyone could do the job, my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) said that not everyone in his constituency could do it. I have to tell him, however, that a good many could. It is a non-job; it is not terribly important to anybody outside this place, and we are navel-gazing again if we think that it is. As for the idea that we should pay someone £167,000 a year to do the job—what an affront! It is an affront at a time when people are losing their jobs hand over fist, often through no fault of their own. However, we could trace the blame for this to the people who are paid that kind of money, and more, and who have made an awful mess of the companies that they are supposed to be running. We are getting into a similar mess with this job. It is simply not worth it.

Mr. Gordon Prentice: I simply disagree with my friend. This is a crucial part of a proper, functioning democracy. We need an Electoral Commission to police the system. I am sorry to have to say this to him, but he is completely wrong.

Mr. Purchase: My hon. Friend and I have a fundamental philosophical disagreement about this job. I am in favour of a democracy that functions properly and has proper elections in which people are voted in and voted out. It does not need policing, other than by this place. This is where these things should be decided.

I can almost trace the beginning of this nonsense of putting everything out to the private sector and to quangos. It was when two Conservative MPs took money for asking questions and the then Prime Minister did not appear to have the courage to say to his Whips, "Deal with them". We set up an inquiry and ever since we have had all these quangos and nothing is ever done in a proper way as the Whips would want—*[Interruption.]*

Simon Hughes: So the hon. Gentleman thinks that we do not need any legislation or any regulation to deal with how much money can be given in donations and what funding is permissible. Is he saying that nobody is needed to police those matters, that the majority party will always get its way and that we can trust democracy to a majority party? He must be living on another planet.

Mr. Purchase: Well, isn't that a giveaway: "We can trust democracy. Not" he said. Oh no, we cannot trust democracy. Of course we can—*[Interruption.]* Look, if the great Winston Churchill decided that out of all the

[Mr. Purchase]

systems, democracy was the least worst, I am prepared to go along with it. What I am not prepared to do is continually undermine the power and strength of this House by giving it away to unelected people in quangoland who, if they had any respect for this place, really should not be doing these jobs at all. It seems to me that we have to be proper, right and judicial in this House in setting down the rules. If that fails, then we have the police. If it is felt that people have acted unlawfully, refer it to the police; do not go through this nonsense where these people spend 12 months testing out a decent Member of this House only to decide that there is no case to answer. We should do it in the right way to begin with. I shall support the amendment this evening and I sincerely hope that we reflect on all this business of quangoland before we make any further appointments.

6.16 pm

The Deputy Leader of the House of Commons (Chris Bryant): This is the vote before Christmas, so I shall not seek to delay the House too long. The Government support the motion, ably moved by the hon. Member for Gosport (Sir Peter Viggers), speaking on behalf of the Speaker's Committee. We are grateful to all those who have taken part in this decision.

I would like to pay my personal tribute to Sam Younger. I used to work with him at the BBC; I have known him for several years and know him to be an honourable and upright man who has performed his tasks with a great deal of probity. There were many occasions on which I profoundly disagreed with what he and the commission had said and done, but I none the less think that there are times when having such an element of grit in the political democratic system is important, especially if we are to maintain brightly the pearl of democracy.

From what I have read in the report presented in July, I believe that Jenny Watson is an able person who has the kind of track record that would recommend her for this post. She was chosen unanimously by a panel nominated by Mr. Speaker, chaired by Baroness Fritchie of Gloucester and including a representative of the Office of the Commissioner for Public Appointments. Although there has been some criticism of the process of appointment, I would not want to echo it, although I will come to the issue of remuneration in a few moments.

Jenny Watson is the former chair of the Equal Opportunities Commission and a non-executive board member of the Audit Commission. It is good that she has shown a degree of commitment to public service, which my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) mentioned earlier, and it will enable her to enhance the role of the Electoral Commission. As is required, the leaders of all the political parties in the House were consulted and none raised any objection to the appointment, so I think that it is a good one.

Several hon. Members raised the issue of remuneration for the chair of the Electoral Commission. It would have been wrong for us to propose voting on £150,000 this evening and I pay tribute to Jenny Watson for taking the very significant pay cut that was proposed to her some time after she was offered the job.

Bob Spink: Surely the Minister is not telling the House that if I had not tabled an amendment to reduce the remuneration from £150,000 to £100,000, the House would not simply have allowed it go through on the nod. If he is telling that to the House, he is being disingenuous.

Chris Bryant: I hope that the hon. Gentleman will one day do the sensible thing and swap sides of the House. He has many miraculous powers, but making the Government change their mind is not normally one of them.

I think it right that a more sensible proposition is before us tonight. For my part, I would have found it very difficult to recommend to my constituents a dramatic increase—which this would have represented—from the pay that Sam Younger currently receives to that which Jenny Watson would have received had it been £150,000 for three days a week. I therefore feel that we should pay tribute to her, not least because if we voted against her appointment or her remuneration tonight it would show a degree of lack of grace on the House's part—given that a Committee of the House produced the recommendation and made her an offer which she accepted—to choose to turn down the recommendation of a report presented to us 22 weeks later. I think that that would be unfair to the lady concerned.

Mr. Purchase: My question is simple. Will my hon. Friend tell us how much she receives for doing her other job, and for how many days a week she is engaged in it?

Chris Bryant: I think that the hon. Member for Gosport (Sir Peter Viggers) will be able to enlighten my hon. Friend. I shall merely say that I feel that it would be ungracious of us, at this point, to turn down the nomination.

Let me finally express the hope that, in the job that I hope she will be taking on, Jenny Watson will examine one issue that particularly affects hon. Members: the fact that at present we must report donations, gifts, travel and hospitality to both the Electoral Commission and the Register of Members' Interests. A one-stop shop is long overdue, and I hope that the commission will not be as recalcitrant and difficult in that regard as I have found it to be of late.

6.21 pm

Sir Peter Viggers: With the leave of the House, Mr. Deputy Speaker.

In response to the last comment made by the Deputy Leader of the House, I should point out that it was the House that created the regulations that annoy us all so much, and that it would be for the House to change them if the Electoral Commission were put in a position in which it did not have to require duplicate registration.

There have been some calls for a broader discussion about the Electoral Commission, and I for one would welcome that. The only full discussion we have had on the subject was one that that I instituted by asking for a debate on the Consolidated Fund. I have been asking Ministers for Government time for such a debate, because there are indeed many issues to be discussed.

The main purpose behind the creation of the commission was to promote participation and confidence in the electoral process, and we know what has happened over the past 10 years. It may well be that acceptance of the

commission's proposal for individual voter registration would help to put right some of the things that have gone wrong in the past 10 years, so we need a more general debate. I would welcome a more general debate on appointments and salaries for similar reasons. However, we are not here this evening to talk about that. We are talking about the appointment of a chair of the Electoral Commission, and the remuneration that that chair should receive. The Electoral Commission does exist, and until the House abolishes it, there it is. It needs a chair; it needs to be properly led. That is what we are discussing.

As for the appointment process itself, I absolutely reject the criticism that the selection process was not properly conducted or considered. It was rigorous, it was scrupulous, and it was properly conducted in every detail. I am proud to be associated with it.

The remuneration was also carefully considered. Our starting point was the 11th report of the Committee on Standards in Public Life. We did not start by asking, "How much should we give Jenny Watson?" We started by listening to the Committee, reading its 11th report, and noting its call for a refocusing on the part of the Electoral Commission and its demand for leadership and direction from the commission. On that basis we consulted, discussed and asked about the terms and conditions that we would need to offer in order to recruit the very best candidates. We managed to reduce 37 candidates to five and then to four, we interviewed them all, and I am confident that we chose the best. We went into the process with our eyes wide open, knowing exactly what we were seeking to do. It was on that basis that we decided that the right salary was £150,000 a year for a three-day week.

We are, of course, talking about March 2008. The world has changed since March 2008, but when the proposal was made, it was to meet the wish of the Committee on Standards in Public Life. I draw the House's attention to the fact that the motion proposing a salary of £150,000 a year for a three-day week carried the words "Queen's recommendation signified", meaning that it was acceptable to the Treasury.

David Taylor: The hon. Gentleman said that the Committee discussed, and consulted widely on, the level of remuneration. Can he briefly say who was consulted and how wide the consultation process was?

Sir Peter Viggers: I am unsure whether the hon. Gentleman was present earlier in the debate. All the detail is in the first report of the Speaker's Committee; we pointed out there just how wide that consultation was. I was a participant in all stages of the process and it was, indeed, wide.

Simon Hughes: The hon. Gentleman has done an excellent job. Can he just tell us why it has taken so long from the time his Committee came to a view and made a proposal for there to be this debate in the House?

Sir Peter Viggers: My reply is that the hon. Gentleman should ask the Government. It is the Leader of the House who tables motions. We considered it to be very important that we reach our conclusion on the appointment in June of this year and it has taken until now; the responsibility for that lies squarely with the Leader of the House.

The hon. Member for Castle Point (Bob Spink) claimed credit for reducing the proposed salary from £150,000 to £100,000. Having been engaged in this process, I have to tell him that although we noted his contribution on the Order Paper, he cannot claim credit for that. It was a matter decided by discussion and consultation.

Mr. Purchase: Will the hon. Gentleman give way?

Sir Peter Viggers: I am sorry, but I will not do so as I have only one minute left.

I am not a natural friend of quangos, but the fact is that the House created the Electoral Commission, and it is important that it should be properly led and directed. I am confident that the appointment of Jenny Watson is the right one, as is the salary proposed for her. Her preparedness to accept a lower salary than the one for which she applied is a noble indication of her public service. I commend the order to the House.

Bob Spink: On a point of order, Mr. Deputy Speaker. Although the two motions have been taken together, would it be possible to vote on each of them separately if necessary?

Mr. Deputy Speaker: Yes, of course.

Kate Hoey (Vauxhall) (Lab): Further to that point of order, Mr. Deputy Speaker. Many of us who would like to support the appointment of a chair of the Electoral Commission but who do not want to support the salary would very much like to have a separate vote.

Mr. Deputy Speaker: Order. Well, I hope I have cleared that up. Two Questions will be put.

Question put and agreed to.

Resolved,

That an humble Address be presented to Her Majesty, praying that Her Majesty will appoint Jennifer Watson to the office of chairman of the Electoral Commission with effect from 1 January 2009 for the period ending on 31 December 2012.

Electoral Commission (Remuneration of Chairman)

Queen's recommendation signified.

Motion made and Question put,

That the following provision shall be made with respect to the remuneration and expenses of the Chairman of the Electoral Commission ("the chairman"):

(1) In respect of remuneration for service between 1 January 2009 and 31 December 2009, the chairman shall be paid £100,000.

(2) In respect of the year starting with 1 January 2010 and in respect of any subsequent year starting on the anniversary of her appointment, the chairman shall be paid as remuneration for that year the sum payable during the immediately preceding year increased by the same percentage of that sum as the percentage (if any) or total of the percentages (if more than one) used to 10 increase the salary of a High Court Judge during that immediately preceding year.

(3) Where during any of the years referred to above the chairman ceases to hold that office, the sum to be paid to her in respect of the part of the year for which she held office shall be such proportion of the sum which would have been due had she completed that year in office as reflects the portion of that period during which she held the office of chairman.

(4) The chairman shall be reimbursed for any expenses she incurs in connection with the discharge of her duties as chairman on travel, accommodation and subsistence.

(5) The pension of the chairman shall be calculated broadly by analogy with the pension scheme of the staff of the Commission, thereby delivering a pension based on the Principal Civil Service Pension Scheme.—*(Sir Peter Viggers.)*

The House divided: Ayes 324, Noes 32.

Division No. 10] **[6.27 pm**

AYES

Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Amess, Mr. David
Ancram, rh Mr. Michael
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barker, Gregory
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benn, rh Hilary
Benyon, Mr. Richard
Bercow, John
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blunt, Mr. Crispin
Boswell, Mr. Tim
Bottomley, Peter
Bradshaw, Mr. Ben
Brazier, Mr. Julian
Breed, Mr. Colin
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browning, Angela
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Butler, Ms Dawn
Butterfill, Sir John
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cabom, rh Mr. Richard
Campbell, Mr. Alan
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Challen, Colin
Chapman, Ben
Clark, Paul
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, rh Yvette
Cousins, Jim
Creagh, Mary
Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
David, Mr. Wayne
Davies, Mr. Quentin
Denham, rh Mr. John
Devine, Mr. Jim
Doran, Mr. Frank
Dorrell, rh Mr. Stephen
Duddridge, James
Eagle, Angela
Eagle, Maria
Ellwood, Mr. Tobias
Engel, Natascha
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Francois, Mr. Mark
Gardiner, Barry
Garnier, Mr. Edward
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Greening, Justine
Griffith, Nia
Gwynne, Andrew
Hague, rh Mr. William
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Healey, rh John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Herbert, Nick
Hill, rh Keith
Hodgson, Mrs. Sharon
Holloway, Mr. Adam
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Horwood, Martin
Hosie, Stewart
Howarth, David
Howell, John
Howells, Dr. Kim
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Hunter, Mark
Hutton, rh Mr. John
Illsley, Mr. Eric
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lammy, rh Mr. David
Lancaster, Mr. Mark
Laws, Mr. David
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Linton, Martin
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Main, Anne
Malik, Mr. Shahid
Malins, Mr. Humfrey
Mallaber, Judy
Mann, John
Martlew, Mr. Eric
Mason, John
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McLoughlin, rh Mr. Patrick
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Mrs. Maria

Moffat, Anne
Moffatt, Laura
Mole, Chris
Moore, Mr. Michael
Morgan, Julie
Mulholland, Greg
Mundell, David
Munn, Meg
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Naysmith, Dr. Doug
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Öpik, Lembit
Ottaway, Richard
Palmer, Dr. Nick
Paterson, Mr. Owen
Pearson, Ian
Penrose, John
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purnell, rh James
Rammell, Bill
Randall, Mr. John
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rooney, Mr. Terry
Rosindell, Andrew
Roy, Lindsay
Ruddock, Joan
Russell, Bob
Russell, Christine
Sanders, Mr. Adrian
Seabeck, Alison
Selous, Andrew
Shapps, Grant
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Mr. Keith
Slaughter, Mr. Andy
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Spicer, Sir Michael
Stanley, rh Sir John
Starkey, Dr. Phyllis
Steen, Mr. Anthony
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stuart, Mr. Graham
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Swire, Mr. Hugo
Tami, Mark
Tapsell, Sir Peter
Taylor, Ms Dari
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Timpson, Mr. Edward
Touhig, rh Mr. Don
Tredinnick, David
Trickett, Jon
Turner, Mr. Andrew
Turner, Dr. Desmond
Turner, Mr. Neil
Tyrie, Mr. Andrew
Ussher, Kitty
Vara, Mr. Shailesh
Vaz, rh Keith
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walley, Joan
Waltho, Lynda
Ward, Claire
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Wiggin, Bill
Willetts, Mr. David
Williams, Mrs. Betty
Williams, Stephen
Willott, Jenny
Wills, rh Mr. Michael
Winterton, Ann
Winterton, Sir Nicholas
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Mr. Bob Blizzard and
Mr. Frank Roy

NOES

Abbott, Ms Diane
Austin, John
Burgon, Colin
Clapham, Mr. Michael
Clark, Ms Katy
Clwyd, rh Ann
Corbyn, Jeremy
Davies, Mr. Dai
Dismore, Mr. Andrew
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Gapes, Mike
Gibson, Dr. Ian
Hoey, Kate
Hollobone, Mr. Philip
Hopkins, Kelvin
Iddon, Dr. Brian
Jones, Lynne
Mackinlay, Andrew
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Marris, Rob
McDonnell, John
Mudie, Mr. George
Norris, Dan
Pelling, Mr. Andrew
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Taylor, David
Wilson, Sammy

Tellers for the Noes:
Bob Spink and
Mr. Ken Purchase

Question accordingly agreed to.

Business without Debate

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With the leave of the House, we shall take motions 11 and 12 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

HOUSING

That the draft Local Authorities (England) (Charges for Property Searches) Regulations 2008, which were laid before this House on 13 November, in the previous Session of Parliament, be approved.

CHILDREN AND YOUNG PERSONS

That the draft Safeguarding Vulnerable Groups Act 2006 (Prescribed Criteria and Miscellaneous Provisions) Regulations 2008, which were laid before this House on 12 November, in the previous Session of Parliament, be approved. —*(Helen Jones.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

MANAGEMENT OF EU FUNDS IN BULGARIA AND ROMANIAN AND BULGARIAN EU ACCESSION.

Motion made, and Question put forthwith (Standing Order No. 119(11)),

That this House takes note of European Union Document No. 12244/08, Commission Report: Management of EU funds in Bulgaria, and supports the Commission's decision to suspend funding while action is taken by Bulgaria to ensure sound financial management; further notes European Union Documents Nos. 12177/08 and Addendum 1, and 12182/08 and Addendum 1, Commission Reports on progress in Romania and Bulgaria under the Co-operation and Verification Mechanism; and welcomes this ongoing post-accession process to support essential reforms in both countries to meet their EU membership commitments.—*(Helen Jones.)*

Question agreed to.

PETITIONS

Pharmacy Services (Gloucestershire)

6.40 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): In April, the Government produced a White Paper entitled "Pharmacy in England: Building on Strengths". In response to that White Paper, the Dispensing Doctors' Association carried out a survey of 6,000 of its patients. It had two key findings. The first was that 95 per cent. of the surveyed patients would find it difficult or inconvenient if their surgeries stopped dispensing. The second was that half of the surveyed households include at least one person over 65. It was unsurprising, therefore, that hundreds of my constituents wrote to me to oppose the proposals.

[Mr. Geoffrey Clifton-Brown]

In a very welcome announcement yesterday, the Minister of State, Department of Health, the hon. Member for Corby (Phil Hope), did a complete U-turn on the proposals and announced that there would be no change. My constituents, along with the millions of people up and down the country who were upset by the proposals, have had an early Christmas present. My constituents have therefore had a prescient victory in their campaign, but nevertheless I shall present their petition.

The petition states:

The Petition of residents of Cotswold and others,

Declares that the Government has made proposals to change the way pharmacy services are provided in the community; further declares that if the proposals were implemented, the dispensaries at the Moore Health Centre in Bourton-on-the Water and Westwoods Surgery in Northleach would be forced to close; notes that the undersigned value the service currently provided.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Health to retain the dispensaries at the Moore Health Centre in Bourton-on-the-Water and Westwoods Surgery in Northleach.

And the Petitioners remain, etc.

[P000299]

Dangerous Drivers

6.43 pm

John Smith (Vale of Glamorgan) (Lab): Thank you, Mr. Deputy Speaker, for giving me the opportunity to present a petition signed by almost 25,000 people on the topic of the horrendous, appalling and often tragic consequences of drink-driving. It is particularly pertinent now with Christmas so close.

The petition states:

The Petition of the family of Aaron Palmer and concerned residents of Vale of Glamorgan and others,

Declares that there should be justice for families of the innocent people who have been killed or injured by drunk drivers; such as 18 year old Aaron Palmer who was knocked down by a drunk driver and killed on Boxing Day 2003. The Petitioners further declare that those found guilty of drink driving should risk having their driving licences permanently revoked.

The Petitioners therefore request that the House of Commons urges the Government to consider bringing forward legislation to ensure that drink drivers who have recklessly killed someone in a crash have their driving licences permanently revoked.

And the Petitioners remain, etc.

[P000301]

Health Services (Wycombe)

6.45 pm

Mr. Paul Goodman (Wycombe) (Con): I rise to present a petition, the contents of which are self-explanatory and require no elucidation by me.

The Petition of over fourteen hundred readers of the Bucks Free Press newspaper,

Declares that the Prime Minister should honour his pledge to listen to newspaper campaigns and the voice of the people and order a review of changes to services at Wycombe Hospital.

The Petitioners therefore request that the House of Commons urges the Prime Minister to order such a review.

And the Petitioners remain, etc.

[P000293]

Cervical Cancer Screening

Motion made, and Question proposed, That this House do now adjourn.—*(Helen Jones.)*

6.45 pm

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): Thank you, Mr. Deputy Speaker, and I am grateful to Mr. Speaker for giving me permission to hold this debate on the Floor of the House of Commons.

I shall begin by praising the success over the past few decades of the cervical cancer screening programme, and all those who have worked in it. They have saved many lives but, despite that success, cervical cancer still kills 1,100 women every year. Another 2,800 women are diagnosed with it each year, but I want to speak specifically about the screening of young women under the age of 25.

I bring this matter to the House because a young constituent of mine called Claire Walker tragically died on 18 September, a few days after her 23rd birthday. Claire was diagnosed with cervical cancer at the age of 21, and she died leaving a two-year-old son, a husband, a brother, a sister, a mam and dad, and a grandma. Claire worked at the Washington child benefit centre, where I once worked, as did her mother. I remember when I was the trade union branch secretary 30 years ago that, along with many others, I negotiated for on-site screening for the 2,000 women who worked there. That was one of the first such initiatives anywhere in the UK.

Despite having this devastating illness, as well as a young family to care for and all the pressures that that brings, Claire Walker found the courage and determination to help others, even in her dying days. She found the strength that she needed through Jo's Trust, a charity that helps support cervical cancer sufferers, and she also took part in television programmes and appeared in women's magazines and in newspapers—always with the aim of warning others of the danger, and to provide help and support.

On the day of her funeral, her dad Bob said, "She will always be the real angel of the North." She was a remarkable woman, whose family and friends are determined that her death should not be in vain. They have campaigned courageously and vigorously about the need for cervical screening of women under 25. They have had the support of many in the local community in Washington, and a petition was organised by the *Sunderland Echo* to ensure that other families do not have to go through what they have faced. Claire would have had that screening had she been born a few years earlier, or 80 miles up the road and over the border in Scotland.

Many women under 25 are still diagnosed with cervical cancer each year. The latest figures that I could get from the Office for National Statistics only go up to 2005, but they show that the number of women so diagnosed totalled 42 in 2001 and 2002, 63 in 2003, 48 in 2004 and 43 in 2005. They were all young women diagnosed under the age of 25, and many health professionals believe that the figures could be much higher.

In 2004, the routine screening age in England was raised from 20 to 25. Scotland and Wales did not raise the age. The reason given at the time was the report

issued by Drs. Sasieni and Cuzick and colleagues, which the Department of Health considered. However, many feel that the data sample used in the report was relatively small—about 3,700—given that 4.3 million women a year are eligible for screening. There are differences of view within the medical profession and I shall give a couple of examples.

A report recently published in the *Journal of Family Planning and Reproductive Health Care* stated:

"Women aged 20-24 years should no longer be given the message that screening causes more harm than good and should not be actively discouraged from screening".

In the same journal, Professor Fiander, in an article entitled "Cervical screening in young women aged 20-24 years", wrote:

"The paper by Sasieni and colleagues demonstrated less protection for younger women from a normal cervical smear than for older women and paved the way for an increase in the age of first invitation for cervical screening in England. Sasieni's study did not include microinvasive cancers, for which fertility-sparing options for treatment may be feasible—an advantage of early screen-detected tumours. If we accept that protection from current cervical screening is poor in young women then perhaps the response to this should not have been to start screening later but to find a better method of screening young women."

Another article dealing with lowering the age concluded:

"Delaying the age for screening eligibility carries a risk of CIN becoming more extensive, and therefore more difficult to excise, as well as a risk of progression. The NHSCSP should reconsider its decision and encourage young women to be screened, not excluding those aged 20-24 years. Facilities for taking the test should be made more convenient. Women should be informed that low-grade CIN is potentially reversible and may safely be monitored. Cervical screening also provides an opportunity for education on healthy lifestyles and safer sex while treatment should be reserved for high-grade CIN."

There are differences of opinion and the view expressed in the report considered by the Department is not universally shared by the English medical profession, by the chief medical officers in Scotland and Wales, or in a host of other European countries. That view has not been taken in Australia and many other parts of the world. Many people feel that the report did not look at interval analysis and that it was not designed to test the theory it used and the conclusions it reached.

Many people feel that responsibility for the burden of proof lies with those who advocate change, yet many of us feel that the case is not proven. I have talked to people in the profession over the past few weeks and many consultants and others accept that there was an element of over-treatment, but they say that the pendulum has swung the other way and there is a change of attitude in the medical profession. Some of the arguments about over-treatment are no longer made.

The argument has been used that early screening does more harm than good, but, with greater safeguards, why should it be different for a 24-year old or a 25 or 26-year old? As my quotes from eminent medical journals showed, that argument sends out the wrong message—that cervical cancer does not affect young women. Between 2000 and 2005, the number of women aged between 20 and 29 who turned up for routine screening went down from 77 per cent. to 71.6 per cent.

I readily accept that I am not a medical expert, but I have talked to the families and to people in the profession. I feel confident that a case needs to be answered and that an analysis needs to be performed. I have been a Member long enough to recognise that the Minister will not stand at the Dispatch Box and say, "We will alter the procedure and take the age back to 20", but I ask for recognition that eminent figures in the medical profession have expressed genuine and serious differences of opinion about how we approach the issue, particularly within our neighbouring nations of the UK.

Obviously—this is connected in many ways—I welcome the recently announced vaccine programme, together with the catch-up initiative, but it will still leave a group of young women who are not covered by routine screening or vaccination. I respect the Minister. She is a former health service professional. She will want to be reassured that what we are doing is absolutely right and in the best interests of young women. I should like simply to put it to her that we should analyse the available data, and that view is supported by other hon. Members. Early-day motion 195, which I submitted, has support from Conservative, Liberal and Labour Members, all of whom feel that this issue seriously needs to be revisited.

When we look at the data, we see that we have a unique opportunity for the first time. Two different systems have been operating in England and Northern Ireland and in Scotland and Wales. If the argument of harm exists and if damage is done to young women, that would be presumably demonstrated by looking at the data on those young women under 25 who are routinely screened in Scotland and Wales. One way or the other, the argument can now be proved. We can analyse what the difference is, because we have had similar populations with similar genetic make-ups for the past few years—so there is an opportunity.

A point that has been made to me is that the data used in the Sasieni report show that big changes have taken place. The age at which young women become sexually active has reduced. Such differences need to be assessed. In my dealings with the Department of Health, it has always argued on the basis of medical advice. Some people have suggested that cost is an issue, but the average cost of screening is between £30 and £40. The life chances that that has given to tens of thousands of women in Britain are quite phenomenal. Apart from the obvious cost-benefit analysis—screening has saved the health service money, as well as greatly benefiting the women who have been helped—to save someone's life is clearly a great advantage. The re-examination needs to take place urgently, on the basis of different age limits, as that will provide a proper opportunity.

Some people feel that, when the Sasieni report came out a few years ago, the Department considered that other groups were not sufficiently involved. If the Minister is prepared to look at the evidence and data, she will see that the consultation should include other organisations that have a view. I could mention many of them, but I will cite one that has advised me in the preparation of my speech: Jo's Trust, which is a cervical cancer charity. The question that needs to be asked is what is the effective age of the first invitation in order to prevent incidence and mortality in young women in their 20s. That is the basis on which we should approach this issue.

At the weekend I spoke to Claire's mother Lyn, and she told me of another young woman who, after reading about Claire's story and Claire's death, discovered that she had cervical cancer.

7 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—*(Helen Jones.)*

Mr. Kemp: Let me repeat that I spoke to Claire's mother, Lyn, over the weekend, and she told me the very moving story of a young woman who, after reading about what Claire had gone through and about Claire's death, discovered that she herself had cervical cancer, and she is now receiving treatment for it.

Even in death, Claire Walker continues to do what she did in life, and that is to help others. With that, I conclude, and I look forward to the Minister's response.

7.1 pm

The Parliamentary Under-Secretary of State for Health (Ann Keen): I congratulate my hon. Friend the Member for Houghton and Washington, East (Mr. Kemp) on securing this extremely important debate. He has demonstrated the work that he did on this subject before he came to this House. The thought and research that has gone into his contribution was obvious for all to hear.

I would like to start by paying tribute to my hon. Friend's constituent Claire Walker, and her brave battle against cervical cancer. For such a young woman to find herself in that position with a young family is devastating, and hearing of her brave work throughout what was left of her life is something that we must all take very seriously. I hope that during my speech I will address most of the issues that my hon. Friend raised.

I offer my sincere condolences to Claire's family, her husband and her son. Of course, these sound like just words, but they are heartfelt words, because as a woman, as a mother, as a sister, and as an aunt, I know of the pressures that are on women today to look after themselves, but with the fear and dread of having bad news whenever one goes for screening. Of course, it makes it worse for the family to have this devastation at this particular time.

The NHS cervical screening programme is a great success, and it is one of the most well-regarded cancer screening programmes in the world. More than 3.5 million women are screened every year, and experts estimate that the programme saves up to 4,500 lives in England alone. However, we cannot be complacent, of course, and we are always striving to improve the programme.

Following the evaluation of a Government-funded pilot study of liquid-based cytology—LBC—the National Institute for Health and Clinical Excellence concluded in 2003 that this new technology should be rolled out across the country. I am pleased to say that the whole of England had converted to LBC by October 2008, as planned. Prior to the introduction of LBC, rates of inadequate samples were over 9 per cent. This resulted in about 300,000 women a year being screened again, just because their initial sample could not be read. As LBC was rolled out, the rate of inadequate samples has fallen every year and is now at a record low of just under 3 per cent., or fewer than 100,000 women. That means that 200,000 fewer women a year do not have to have a repeat test because their original sample could not be read, with all the anxiety that ensues for those women and the extra costs to the service. It is important to put this on the record because it is a good and welcome change.

The implementation of LBC also allowed us to modernise the programme in other ways. Prior to 2003, there was a longstanding inequality in the NHS cervical screening programme regarding the frequency of invitations for screening. Some local programmes invited all women every three years, some all women every five years, and some used a combination of the two intervals, but there was no clear evidence base. The Advisory Committee on Cervical Screening had always kept the issue under review and commissioned research to find robust evidence to show what was the optimal screening interval. The research, by Sasieni et al., was published in the *British Journal of Cancer* on 1 July 2003. That research recommended that women aged under 25 should not be screened, as the risk is so low that there may be more harm done than good. It recommended that women aged 25 to 49 be screened every three years, and women aged 50 to 64 every five years.

The Advisory Committee on Cervical Screening carefully considered the research at its meeting on 14 July 2003 and advised that the recommendations in the research be adopted across the NHS screening programmes, but I certainly appreciate my hon. Friend's comments about the fact that the screening programme in Scotland is offered to women between the ages of 20 and 60. However, I would like to give him details on why it was decided to raise the screening age in England from 20 to 25.

Cervical cancer is very rare in women under 25. Claire's case is of course tragic, but thankfully it is very rare. All screening programmes must do more good than harm. However, research presented to the Advisory Committee on Cervical Screening, coupled with 15 years of experience of screening, has shown that screening women under the age of 25 may do more harm than good. Women under 25 often underwent unnecessary investigations after results suggested that they appeared to have cervical abnormalities. They were, in fact, normal cervical changes, caused by hormonal changes that will normally resolve themselves naturally over time without the need for treatment.

Back in 2003, when the policy was changed, the 9,000 women under 25 with a high-grade smear whom we sent each year for colposcopy would all be treated, and ran the risk of complications that could lead to infertility. Treatment relating to colposcopy using large-loop excision—the most common procedure—is relatively safe, but there are risks. The short-term risks include pre-operative and post-operative bleeding and secondary infection. It is possible to perforate the uterus and/or cut through the vaginal wall, which may lead to unintentional damage to the bowel or bladder. In the longer term, cervical stenosis, or narrowing, can be a problem, and occasionally there is functional damage that leads to problems with pregnancy. I am explaining the technicalities to show the extent to which the research was looked into.

With young women, there is the possibility of repeated loop excisions. That is not uncommon, and it means that the risk of complication is greatly increased. There is significant bleeding in 5 to 10 per cent. of cases in which a cone biopsy is necessary, and cervical stenosis occurs in 2 to 3 per cent. of patients. Hysterectomy is

occasionally necessary to delay excessive bleeding, and there are arguments about the rate of fertility issues.

Since the policy was changed in 2003, the number of excisional biopsies undertaken as a consequence of the screening programme has fallen by almost 4,000. In 2006, there were only 56 registrations, representing 2.4 per cent., of cervical cancer in women aged under 25, compared to a total across all ages of 2,321 registrations. There were no deaths from cervical cancer among those aged under 25 in 2005, according to the latest figures available to me from the Office for National Statistics; that varies slightly with what my hon. Friend said. Recent work by the National Cancer Intelligence Network, based on figures from cancer registries, shows that no increase in registrations of cervical cancer has been evident in the overall England data for that age group since the frequency policy was changed in 2003.

Screening women from the age of 25 helps reduce the number of unnecessary investigations and treatments in younger women. Treatments to the cervix can cause difficulties later in life, such as raising the risk of pre-term babies if a woman becomes pregnant. That, of course, will affect two lives, not just one.

There is internationally agreed evidence that women should be screened from age 25. A meeting in Lyons in May 2004, organised by the International Agency for Research on Cancer, part of the World Health Organisation, concluded that organised and quality controlled cervical screening can achieve an 80 per cent. reduction in the mortality of cervical cancer. Women aged 25 to 49 should be screened no more than every three years, and women aged 50 to 64 no more than every five years. The group that made these recommendation consisted of 26 experts from 14 countries.

Although some countries, including Scotland, still invite women under 25 for cervical screening, others, such as the Netherlands and Finland, do not start screening until the age of 30. The advisory committee on cervical screening constantly keeps the age range and frequency of cervical screening under review, but would formally review this policy only if there was new evidence that we should be screening from age 20. Ultimately, the NHS in England should not be paying GPs for a procedure that can potentially be harmful.

Mr. Kemp: Earlier in the Minister's contribution, when she referred to the advisory committee, she used the word "may" cause harm and she has also said "can" cause harm. I am worried that there does not appear to be a definitive view. That is why I would like the Minister to look at the evidence. "Can" and "may" can be made definitive if we examine evidence in Scotland and Wales.

Ann Keen: I thank my hon. Friend for that intervention. I will come shortly to the important issue that he raises.

Women under 25 who are concerned about their risk of developing cervical cancer or concerned about their sexual health should contact their GP or their genito-urinary medicine clinic and go for screening. Clinicians will refer women under 25 who have symptoms of cervical cancer for other more appropriate tests, and women with suspected cancer should be seen by a specialist within two weeks.

My hon. Friend mentioned our HPV vaccination programme, which we are proud of. Cervical screening is not our only strategy for tackling this dreadful disease. The HPV vaccination programme, which protects against two strains of HPV that cause more than 70 per cent. of cases of cervical cancer, commenced in September 2008 for young girls aged 12 and 13. The national vaccination programme against HPV has been extended to offer protection to an additional 300,000 girls aged 17 and 18 from September this year. A catch-up programme will commence in September 2009 and will offer the vaccine to other older girls aged 13 to 18. The introduction of the vaccine will help reduce the number of tragic cases like that of Claire, whom we are discussing tonight.

I want to reassure my hon. Friend that the evidence has to be looked at again. Yes, everything that he has raised in the debate tonight has to be looked at again. Jo's Trust was mentioned. If my hon. Friend feels that that is important, I would want to include any work that Jo's Trust has done and any evidence it has produced.

Mr. Kemp: I thank my hon. Friend for giving that commitment to look at the evidence that has been produced and for the commitment to involve some of the charities. That will give great satisfaction to many people who are concerned about the matter. I genuinely welcome the commitment that my hon. Friend has given from the Dispatch Box.

Ann Keen: I thank my hon. Friend again. He has introduced this issue tonight, Claire's family are involved and Claire had committed to continue to campaign—if we in the House and our debates mean anything, it is our duty to look at the evidence again. I thank all the charities and organisations that have been involved in bringing such detail to our attention and I recognise why the research was acted on as it was. It is always right to look again when issues are introduced as my hon. Friend has introduced this one. I give a commitment to keep a very close eye on the issue and will keep my hon. Friend informed of progress.

Question put and agreed to.

7.15 pm

House adjourned.

Deferred Division

ADJOURNMENT (CHRISTMAS)

That this House, at its rising on Thursday 18 December, do adjourn till Monday 12 January 2009.

The House divided: Ayes 266, Noes 214.

Division No. 8]

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fitzpatrick, Jim
Fiello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lepper, David
Levitt, Tom
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Sneigrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Binley, Mr. Brian
Blunt, Mr. Crispin
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Drew, Mr. David
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Mason, John
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penrose, John
Price, Adam
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robinson, rh Mr. Peter
Rogerson, Dan
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Skinner, Mr. Dennis
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Tredinnick, David
Turner, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Willetts, Mr. David
Williams, Hywel
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Question accordingly agreed to.

House of Commons

Thursday 18 December 2008

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *IN THE CHAIR*]

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Banks (Rescue Package)

1. **Harry Cohen** (Leyton and Wanstead) (Lab): How much the Government have committed to the banking rescue package; and what assessment he has made of the package's outcome to date. [244629]

The Chancellor of the Exchequer (Mr. Alistair Darling): The measures that I announced in October have stabilised the banking system, and inter-bank lending rates have fallen. The three-month LIBOR rate halved to just over 3 per cent. this week.

Harry Cohen: In the present circumstances, a Government who intervene are far better than one who would sit on their hands, and the Government have been right to rescue the banks, get funds to small businesses and bring forward capital spending. Will they now consider creating more public sector jobs, providing funding for partnerships between public authorities and businesses, and taking a public stakeholding in businesses that need it and have a viability beyond the current downturn?

Mr. Darling: I agree that it is important for public expenditure to support the economy at this stage. As my hon. Friend says, we have brought forward spending in relation to housing, transport and other matters, and we will continue to do whatever is necessary to support our economy. The difference between the Government and the Opposition is that we believe that Government have a role here. We are prepared to increase expenditure to support the economy, as I announced in the pre-Budget report, and we will continue to do that.

Mr. Michael Fallon (Sevenoaks) (Con): Given the deputy governor's warning yesterday and the evidence that credit is continuing to contract, will the Chancellor look again at the capital requirements applying to banks, and indeed the terms of his October rescue package for the Scottish banks, to ensure that spending really is getting through? Will he inject some urgency into this process to prevent hundreds of thousands of jobs from being lost unnecessarily?

Mr. Darling: The hon. Gentleman raises a very real issue relating to bank recapitalisation. In October, the Financial Services Authority, along with the Bank and ourselves, agreed that it was necessary to recapitalise the largest banks in the country. The FSA is considering that level of capitalisation, and, as part of the Basel process, it is also, along with others, considering the effect of the requirements of capitalisation in relation to the current economic circumstances—the procyclicality, as it is described. I agree with the hon. Gentleman that the issue needs to be looked at.

As for the two banks in which we have shareholdings, the House will know that there is a requirement for them to maintain the availability of lending at 2007 levels. Since the announcement, RBS in particular has said it will ensure that it treats its small business customers far better than in the past, and that they will benefit from the interest rates being offered.

There is a lot more to be done. The hon. Gentleman is right to speak of urgency, given the situation that we face at present. We—the Government, the FSA or the Bank—will continue to do what is necessary to help to ensure that sufficient lending comes into the economy, while at the same time ensuring that the banks are resilient enough for the future.

Mark Durkan (Foyle) (SDLP): Is the Treasury tracking the behaviour of banks in Northern Ireland, including Ulster bank, a wholly owned subsidiary of the RBS, which is not offering business customers the standards, terms and rates offered by the RBS here? Can the Chancellor assure small businesses that they will not be caught in a vice between tax demanded and money unavailable for borrowing next month, which marks the beginning of a new VAT and PAYE quarter and the deadline for tax returns from those who are self-employed?

Mr. Darling: We monitor the lending of banks in every part of the United Kingdom. If the hon. Gentleman knows of specific instances in relation to the Ulster bank, I should be grateful if he would tell me about them. We have a lending panel that examines the concerns of small businesses, which is regularly chaired by my noble Friend the Secretary of State for Business, Enterprise and Regulatory Reform.

As for the problems relating to payment of tax, the hon. Gentleman will recall my announcement in the pre-Budget report that Her Majesty's Revenue and Customs was introducing a scheme that would give people time to pay not just VAT, but corporation tax and income tax—indeed, all taxes. That facility is now available, enabling people to pay their bills over an extended period, and I am glad to say that it is being well used. We are aware of the problems that would otherwise be caused to small businesses' cash flow.

Mr. Graham Brady (Altrincham and Sale, West) (Con): Does it remain the Chancellor's policy that it is better to use public resources to get the banks lending again than to use them to give direct support or subsidy to particular industries?

Mr. Darling: I do not favour what is sometimes termed a one-club approach. I think that it was right for us to use public money to recapitalise the banks where that was necessary—some of them had raised money

privately—and we will continue to do that. As for direct lending, in the pre-Budget report I announced the provision of £1 billion to help small and medium-sized enterprises specifically. I also said that we would think about how we could implement the Crosby report and support mortgage lending.

A variety of measures are needed, but they are all doing the same thing: they are all aimed at supporting different parts of the economy. I must tell the hon. Gentleman, however, that if we are to do any of these things, it is also necessary to be prepared actually to spend the money. Otherwise this will become merely an empty promise, like the promises being made by his Front-Bench colleagues.

Mr. Dennis Skinner (Bolsover) (Lab): Does the Chancellor agree that one of the quickest ways to get people back into work is through the construction industry, and is he aware that a number of local authorities are ready, willing and able—and have got the land—to start building council houses again? Bolsover district council, for example, has made representations to replace some old bungalows and to build some more as well. Will he encourage these local authorities—Labour controlled—to get moving again?

Mr. Darling: I agree with my hon. Friend that it is important that the public sector supports the construction industry; if public money were not going into housing, and into schools, hospitals and other construction projects, the industry would be in a far worse position than it is in even now. That is why we have brought forward permission for local authorities and other public bodies to spend money. That is very important, and if councils are not doing that, people should ask them why not, because we have made it clear that we are prepared to allow spending to be brought forward in all parts of the country. We have also made it clear to the devolved Administrations that they, too, can bring forward their proposals, and we look forward to receiving them.

Mr. Tobias Ellwood (Bournemouth, East) (Con): The Chancellor said he will do what is necessary to help the British economy, but it is now clear that we will have the worst recession of all the G7 countries. Does the Chancellor feel that it might be necessary to visit the IMF and ask for a financial bail-out?

Mr. Darling: Because of the sheer size of the financial services sector in this country and because the financial services sector is affected by a global recession right across the world, we are, of course, bound to be affected by that, but, as I said to the House at the time of the pre-Budget report, I am confident we will get through this. I have set out how I believe we can do that, and it involves the Government being prepared not just to borrow to support what are known as the automatic stabilisers—the rising benefit payments and so forth that we get in any downturn—but to do more than that by putting £20 billion more into the economy, as that is the right thing to do to support the economy and therefore to support jobs.

Dr. Vincent Cable (Twickenham) (LD): Following the revelation only this week that taxpayer-supported and guaranteed banks lost hundreds of millions of pounds in a pyramid selling scheme, I want to ask the Chancellor about curbing gambling activities. There is a certain amount of emotional appeal in the Conservative leader's proposal that bankers should be rounded up and put behind bars, but is not a more practical and immediately useful suggestion that the banks should be required to divest themselves of their high-risk investment banking operations and concentrate on mainstream lending to British households and firms currently being deprived of credit?

Mr. Darling: I agree with the hon. Gentleman that there are serious questions to be asked in the United States about the particular matter to which he refers, and I think I am right in saying that the chairman of the American Securities and Exchange Commission has indicated that there needs to be a thorough investigation there. However, I also think it is important that all banks—the boards of all companies, in fact—should know and understand the risks to which they might become exposed. The evidence of the last year is that far too many banks were not fully aware of those risks or did not make sufficient provision against those risks turning bad. The hon. Gentleman is right that we need to learn the lessons of what has happened in the past, which is why I said I wanted to bring forward proposals in the spring to look at aspects of our regulatory system, but that must also be done across the world. The G20 group of leaders and Finance Ministers discussed that at the meeting in Washington in November, and we will discuss it again when we reconvene in London in April.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): Now that the Government have accepted the recommendation that we have been making for some time to reduce the cost of inter-bank guarantees offered by the Government, will the Chancellor also now accept our advice to reduce the cost of the preference share capital offered to the banks?

Mr. Darling: In relation to the cost of the scheme, I said when we made the announcement that we would keep all the terms and conditions under review. We were the first into the field. Since then, other countries have come up with schemes of their own, and it is right that we keep these matters under review. As I said in the House when asked about preference shares on Monday, we will look at that, but I want to make sure that we balance the need to ensure that the banks lend to the business community and individuals with the fact that the taxpayer must get a fair deal. The Conservative Front Bench raised that in October, and it is right to do so again now as that concern has not gone away.

Government Borrowing/Debt

2. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): What his most recent estimate is of the levels of Government borrowing and debt; and if he will make a statement. [244630]

The Chancellor of the Exchequer (Mr. Alistair Darling): The pre-Budget report set out the Government's projections for the level of Government borrowing and debt.

Mr. Evennett: I note the Chancellor's comments. Given the responses that we have had from him, the future looks bleak indeed. Does he agree with the German

Finance Minister's view that this Government's policies will saddle the country with debt

"that will take a…generation to work off"?

Mr. Darling: No, I do not. I wish to say three things on that. First, Peer Steinbrück is an extremely charming man and I enjoy working with him very much. Secondly, I fully supported him when he introduced a fiscal stimulus into the German economy of about 1 per cent.—that is almost exactly the same as what we have done—some time ago. Thirdly, our debt levels are lower than Germany's.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): The business community in my constituency has emphasised to me that the Government's priority must be to have measures to sustain our manufacturing base, so as to maintain our tax base for the future. Can my right hon. Friend assure me that he will not listen to the scaremongering and siren voices from Opposition Members, and that he will ensure that support for business is maintained as the Government's priority during this economic downturn?

Mr. Darling: I agree with my hon. Friend that it is important that the Government support business. That can be done in a variety of ways, both indirectly and directly, as appropriate. Of course, we need to balance that with a need to ensure that we have proper regard to the public finances and the interests of the taxpayer. He is right to say that at a time such as this all the measures that the Government are examining are designed to help businesses get through what is undoubtedly a difficult period.

Mr. Mark Field (Cities of London and Westminster) (Con): Despite the record levels of debt that the Chancellor is predicting for the next five years and beyond, he continues to assert that Britain is uniquely well placed to deal with this downturn. On what basis has he come to that conclusion?

Mr. Darling: The hon. Gentleman is right to say that our debt levels will rise over the next period. That is partly because it is inevitable in any downturn such as this that the Government's revenues will fall and the unemployment benefit payments that we have to make will rise. The operation of the automatic stabilisers, to which I have referred, is supported on both sides of the House—indeed, the Leader of the Opposition said that he supported it—and it accounts for the major increase in the Government's expenditure. As I said, it is also necessary for us to put more money into the economy. If we look ahead, we will see that during the next year we will have low interest rates and far lower inflation than in the past, and energy prices will continue to fall, which will help in relation to what people pay at the pump and must also affect the amount that people pay for gas and electricity. Of course, in addition, we reduced the amount of debt from the level that we inherited when we took office in 1997, and we will continue to do everything we can to support the economy.

Mr. Andrew Love (Edmonton) (Lab/Co-op): Is this not rich coming from the Conservatives, who, as my right hon. Friend has said, support the automatic stabilisers, which account for the vast majority of the increase in debt and borrowing, and who have two major recessions behind them? Is it not outrageous that, as the official Opposition, the Conservative party is the only one in this House that does not support—

Mr. Speaker: Order. The Chancellor has enough to do without worrying about what the policies of the other party are. I think that he can answer.

Mr. Darling: I agree with my hon. Friend. The difference is that whereas during this downturn we are prepared to take action to help people and businesses, that simply did not happen in the 1980s and 1990s, and the country paid a very heavy price.

Mr. Brooks Newmark (Braintree) (Con): Can the Chancellor tell the House why UK debt is considered twice as risky as that of McDonald's?

Mr. Darling: As the hon. Gentleman knows perfectly well, the market for trading in Government debt is pretty thin and it really cannot be compared with the trading of Government debt in relation to companies.

Mr. Andy Reed (Loughborough) (Lab/Co-op): Although there is a great deal of risk in not doing anything, there is a certain amount of risk in what is taking place. Does my right hon. Friend agree that even a 1 per cent. financial stimulus in the economy may not be enough? Will he comment on the possibility of considering further financial stimulus in the new year because of the level of the global economic downturn and its effect in constituencies across this country?

Mr. Darling: The announcements that we made in the pre-Budget report were right. As my hon. Friend says, the risk of not doing anything was far outweighed by the advantages of taking action. In the current climate, there is no Government in the world who are not looking every day at what else they need to do, but while it is right to allow borrowing to rise now, we must ensure that we take the right action to ensure that borrowing falls and that we come back into current balance within a reasonable period. That is what I said in the pre-Budget report and that remains the Government's position.

Mr. Mark Hoban (Fareham) (Con): The Chancellor plans to increase taxes by £40 billion to reduce Government borrowing, but will not the planned £5 billion tax hike on jobs hamper our recovery? Does he not realise how much damage this borrow now, pay later policy will cause?

Mr. Darling: Assuming that the hon. Gentleman agrees with his party's leader, he supports the decision to allow borrowing to rise through the operation of the automatic stabilisers, and that accounts for about £60 billion of the borrowing. I know that he does not agree that we should go further, but his approach is just plain wrong. We need to ensure that as the economy comes out of this period—as it recovers and starts to grow—we bring our borrowing back down. It is better that we should do that and I set out in the pre-Budget report a fair way of doing so.

Small Businesses

3. **Dr. Brian Iddon** (Bolton, South-East) (Lab): What assessment he has made of the likely effect on small businesses of the measures announced in the pre-Budget report. [244631]

The Financial Secretary to the Treasury (Mr. Stephen Timms): The impact will be very strongly positive. The package addresses small businesses' cash-flow problems, their access to credit and management of their tax liability. The fiscal stimulus will be crucial in encouraging economic recovery.

Dr. Iddon: My constituency has a fair number of large multi-storey former cotton mills, the basements and upper floors of which are difficult to let. How temporary will the 70 per cent. relief on non-domestic properties be, and how will it affect a business man who owns one of those mills, pays the business rates and then sub-lets to a multitude of other smaller businesses?

Mr. Timms: My hon. Friend is right to draw attention to the benefits of this measure. It is a temporary increase, to £15,000, for next year only—2009-10—in the threshold at which empty property becomes liable for business rates. As he says, some 70 per cent. of empty properties will pay no rates next year as a result. He asked about subdivided properties. Their position will depend on the nature of the division and whether the property constitutes a separate, self-contained hereditament for ratings purposes. A landlord who is concerned should check the liability with the Valuation Office Agency.

Mr. Julian Brazier (Canterbury) (Con): Does the Minister accept that for small businesses this is a relatively small package compared with the overwhelming effect of the unwillingness of many banks to lend to them? Does he also accept that the Government mis-structured their huge package in such a way that the banks have an incentive to pay it off as quickly as possible and to get their loan books down rather than up? It is that circumstance that is driving the recession more than anything else.

Mr. Timms: No, that is not the case at all and the PBR package directly addresses those concerns. That is why the chairman of the Federation of Small Businesses said:

"This Pre-Budget Report is a sign of the importance of small businesses to the UK economy."

It fully addresses their needs and that is why the package includes a £1 billion small business finance scheme, to encourage bank lending to small and medium enterprises, and an additional £1 billion facility to help smaller exporters. The range of measures is accurately targeted at the problems that small businesses are facing at the moment.

Mr. Frank Field (Birkenhead) (Lab): If the Government are to pump further taxpayers' money through the banking system, can my right hon. Friend give the House an undertaking that that will be limited to the nationalised banking sector and specifically tied to extending loans to small and medium businesses?

Mr. Timms: My right hon. Friend will know that conditions addressing exactly that point have been attached to the Government recapitalisation contributions to the two major banks that have received them. We will of course continue to keep the position under review.

Mr. Colin Breed (South-East Cornwall) (LD): Will the Minister tell the House when he expects small businesses to be able to access the £1 billion fund? Many are in dire need at this moment at time.

Mr. Timms: Yes, I certainly do expect them to be able to access it. The full details of the new scheme will be set out at the beginning of the new year by my noble Friend the Secretary of State for Business, Enterprise and Regulatory Reform. Other measures that we have put in place are already effective, such as the small business support service for firms with a tax bill due that are facing temporary financial difficulty. They have been able for some weeks now to call up the HMRC hotline on 0845 302 1435, which is available seven days a week.

Rob Marris (Wolverhampton, South-West) (Lab): As well as Marston's brewery, in my constituency there are many small businesses called pubs. They are extremely concerned about measures in the pre-Budget report relating to alcohol excise duty and the alcohol duty escalator. Would my right hon. Friend and his ministerial colleagues reconsider those measures because they are hurting pubs, which are vital to our communities?

Mr. Timms: The change in the VAT rate has been offset in the way that my hon. Friend describes. The position for the coming year is as my right hon. Friend the Chancellor has set out, and of course we will look at the future rates of alcohol duty in future Budgets in the normal way.

Justine Greening (Putney) (Con): For the 1,500 people losing their jobs and the 60 small businesses going bust every single day, the Government are not tackling the recession. The Government's small business loan guarantee scheme will not even be up and running until mid-January and even then it will not cover 99 per cent. of loans to companies. Does not the Minister agree that that is too little, too late, that he should get on with our national loan guarantee scheme and that Britain is facing the deepest recession of any G7 country because we have the most incompetent, ineffective Government?

Mr. Timms: The hon. Lady should have a word with some of her colleagues on her Front Bench. I agree with her that it is right for the Government to address these problems, but that contrasts with the policies of those on her Front Bench, which are the policies of do nothing. Those were the policies that we saw in the catastrophic recessions under the last Conservative Government and they are being repeated by Conservative Front Benchers now. The policies that we are putting in place are directly addressing precisely the challenges that small businesses are facing, and that is why such an ambitious and effective package was set out at the time of the pre-Budget report.

Alison Seabeck (Plymouth, Devonport) (Lab): I have listened to my right hon. Friend's response and to the questions from other hon. Members, but I want to inject a slightly more positive note into the discussion

by flagging up the work of the Springboard Fund, an offshoot of Business Link based in Devon and Cornwall that resulted from the sale of Business Link. The fund has just had its 100th inquiry in the short time since it has been set up from a group of people who want to set up new businesses. There is real interest in setting up new businesses, despite the downturn. People are going to the Springboard Fund because the banks are not opening their doors—

Mr. Speaker: Order. The hon. Lady is asking a supplementary question, and it should be brief.

Mr. Timms: Like my hon. Friend, I welcome and support the measures that the Government have in place and that the regional development agencies are supporting to encourage new enterprise. She is absolutely right that there are some very attractive opportunities for new businesses, even at this very difficult time. It is quite right that we should be working with those who are encouraging entrepreneurs to come forward and make a success of new businesses.

Economic Recovery

4. **Mr. Michael Jack** (Fylde) (Con): Which sector of the economy he expects to lead economic recovery following the economic downturn; and when he expects such a recovery to begin. [244633]

The Chancellor of the Exchequer (Mr. Alistair Darling): The pre-Budget report set out the Government's latest economic forecast, based on all relevant factors.

Mr. Jack: There was not much Christmas cheer in that answer from the Chancellor. In just over 180 days, according to the pre-Budget report, growth is supposed to resume in the UK economy. Given the mounting and ever-greater tide of difficult news about the economy and even the prospect of deflation, does the Chancellor stand by the statement he gave in his answer? Secondly, can he cite anybody outside the Treasury who actually agrees with what he has just said?

Mr. Darling: Yes, and the forecasts that we set out were broadly the same as the Bank of England's, which are entirely independent of ours. This country has a choice: we can either let the recession take its course, which is the policy that the Conservative party seems to advocate, or we can decide to take action to help people and businesses. That is the path that we have chosen.

Dr. Gavin Strang (Edinburgh, East) (Lab): Does my right hon. Friend agree that, although sterling's depreciation against the euro in particular will result in an increase in some input costs, overall it should provide an environment for a substantial increase in agricultural production? That will result in increased investment in food processing and manufacturing, creating more jobs and displacing imports, which we will need in the next few years.

Mr. Darling: My right hon. Friend is right that depreciation can help our exporters, but we must ensure as well that countries right across the world also take action to support their economies so that there are markets to sell into. That is why I welcome what France, Germany and other European Governments have done to support their economies, as their actions will create the right conditions to encourage and support our exporters.

Mr. Andrew Mackay (Bracknell) (Con): Does the Chancellor agree with his Cabinet colleague the Olympics Minister, who said this week that this is the worst recession that any of us have ever experienced?

Mr. Darling: It is true that, right across the world, we are facing conditions that we have not seen for generations. The IMF has forecast that, for the first time since the second world war, all the major economies will move into recession in 2009. That is why it is all the more necessary for every country in the world to do everything that they can to support their economies. That is what underpinned my approach to the pre-Budget report, and I am sorry that the Conservatives do not share that view.

Richard Burden (Birmingham, Northfield) (Lab): Does my right hon. Friend agree that a strong manufacturing sector will be vital when the economic recovery comes, and that the motor industry will be central to that? In addition to the welcome moves being made by the European Investment Bank, a number of European countries are offering additional lines of support to their motor industries. Will my right hon. Friend say what further plans he has for the British motor industry, to ensure that lines of credit and liquidity are kept open?

Mr. Darling: My hon. Friend knows more than many Members of the House the importance of the motor industry to this country. It is worth noting that, even in 2007, our automotive industry produced almost as many cars and vans as it did in the heyday of British car manufacturing in the 1970s, so there are many good success stories that we can point to.

The automotive industry is being affected by the downturn, as is to be expected. As my hon. Friend knows, my noble Friend the Secretary of State for Business, Enterprise and Regulatory Reform has been having discussions with some manufacturers. We will do everything we reasonably can to support the industry, but there are two things that I should like to say. First, the primary responsibility for financing a company lies with those who own it, and we must also be mindful, not only of the difficulties in the motor industry, but that other industries will be affected by the downturn. Secondly, we also have to have regard to the interests of the taxpayer. That is of critical importance, and people need to understand that.

Mr. Andrew Pelling (Croydon, Central) (Ind): In his answers, the Chancellor has quite rightly emphasised the economy's exposure to the financial sector, and the role that that plays. Does he concur with the comments ascribed to Deputy Governor Bean on the front of the *Financial Times* today that there is a very high expectation of further capitalisation being required for the banks?

Mr. Darling: I did see the front of today's *Financial Times*, and I read the full transcript of what the deputy governor said. He was musing on a number of different matters, and in the current climate it is sensible to keep under review the circumstances of the banks all the

time, just as other countries are doing. The key thing is to make sure that the banks are strong enough to resume lending, and that we get them to make that lending. There has been huge public support for the recapitalisation of the banks, and for the guarantees on lending and the special liquidity scheme. That support is very substantial.

As I said earlier, we keep these matters under review all the time. I will continue to do whatever is necessary to maintain the banking system, because it is central to supporting the wider economy.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): This recession is global and whenever the recovery occurs, a skilled work force will be extremely important. Will my right hon. Friend therefore keep under consideration the Train to Gain budget to ensure that our skills base has not been eroded when the recovery comes?

Mr. Darling: My hon. Friend is right about that. As we come through the recession and start to see growth and recovery, there will be tremendous opportunities, but most of them will go to countries that have highly skilled and motivated work forces. We lost out badly in the 1980s and 1990s because, when the economy slowed, the reaction of the then Government was to cut back on a lot of skills and training. There are now more apprenticeships, more people with skills, and more people going to universities. We are investing heavily in science, and in many other areas we are taking the right action to ensure that we have the right skills for the future. The World Bank estimates that the world economy will double in the next 20 years, and we need to be ready to take full advantage of that when it happens.

Income Support Mortgage Interest

5. **John Barrett** (Edinburgh, West) (LD): What discussions his Department has had on the criteria to be used in determining how to calculate income support mortgage interest after May 2009. [244635]

The Chief Secretary to the Treasury (Yvette Cooper): The standard interest rate for support for mortgage interest has been frozen for six months at 6.08 per cent., rather than falling in line with Bank of England base rates as would normally be the case. We will review the position and consider what arrangements should apply beyond May 2009.

John Barrett: I thank the Minister and the Chancellor for the action taken on this issue in the pre-Budget report, but can she give me any assurances today that the help that the 62 per cent. of mortgage holders on fixed rate deals will get from the Government from May, if they lose their job, will reflect the amounts that they have to pay rather than be linked to the Bank of England base rate?

Yvette Cooper: The hon. Gentleman has raised this important point before. The standard approach would be for the standard rate to fall with bank rates as bank rates are cut. However, we know that a lot of people are on fixed rates, and many have mortgages with banks that have not yet passed on the full rate cuts. Many have seen a reduction of about £100 per month in their mortgage payment as a result of base rate cuts, but others are not benefiting. We will certainly take those issues into account, but the hon. Gentleman will appreciate that it is hard to predict at this stage where base rates will be in May and where individual mortgage rates will be.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): Labour has done a great deal for pensioners in recent years, but in these very difficult times, does the Minister have any plans to review the calculation that results in a 10 per cent. notional rate of interest being placed on pensioners' savings before they can qualify for benefit? Pensioners find that difficult to understand, and I must say it is difficult for anyone to understand.

Yvette Cooper: I know that my hon. Friend has raised this issue with the Department for Work and Pensions and he will also know that we are clear about the importance of supporting pensioners through difficult times. That is exactly why, as part of our fiscal stimulus, we are providing an extra £60 to every pensioner in the new year. That is the right thing to do. It is funded by additional borrowing to help support the economy, and sadly it is something that the Conservative party has opposed.

Richard Ottaway (Croydon, South) (Con): May I take the Minister back to the original question? What increase does she expect to see in income support mortgage interest relief as a result of the current bust?

Yvette Cooper: We are both freezing the rate and expanding eligibility, and we believe that that is the right approach to take, because by that means we are making relief available to those who have lost their job and been out of work for more than 13 weeks rather than for the full 39 weeks to which the relief used to apply. That is the right thing to do and the relief will apply to more people. We have set out costings as part of the approach to the pre-Budget report. It is certainly clear that this is about providing more support to people at a difficult time.

European Investment Bank

6. **Mr. David Kidney** (Stafford) (Lab): What assessment he has made of the availability of European Investment Bank funding to businesses through UK banks. [244636]

The Economic Secretary to the Treasury (Ian Pearson): British small businesses should be able to benefit from around £4 billion of lending from the EIB between 2008 and 2011. As announced in the pre-Budget report last month, after negotiations between UK banks and the EIB, £1 billion of EIB funds will be available to British small firms by the end of the year. This has now been approved by the EIB.

Mr. Kidney: I am grateful to my hon. Friend. Business people in Stafford are coming to me with ideas for modern, innovative new projects. When they ask the banks for funding, it is not that the banks say no; they just freeze and make no decision at all. Given that entrepreneurial spirit is the lifeblood of the country, and all the more vital in these difficult times, can I go back to those businesses and say that now they can go to their bank and get access to EIB funding?

Hon. Members: No.

Ian Pearson: Yes, he can. Loans are already being made by UK banks using EIB funds. I refer my hon. Friend to media coverage only yesterday; Barclays bank has been making funding available to companies through the European Investment Bank. The question now is for UK banks to disburse quickly and efficiently and pass on the full benefits associated with EIB funds to the small businesses that my hon. Friend was talking about—that are innovative and need those funds to help them to stabilise and grow for the future. That is exactly what is happening and more will be coming in the future.

Miss Julie Kirkbride (Bromsgrove) (Con): The Minister has just said that this money is available in 2008, so as of today—18 December 2008—can he tell us just how much money has been forthcoming through the European Investment Bank?

Ian Pearson: As I explained, since the pre-Budget report and our agreement with the banks, approval processes have been going through the European Investment Bank. If the hon. Lady reads yesterday's edition of *The Daily Telegraph* she will see that Barclays bank has £300 million available for lending to businesses. I encourage all small businesses to look to their bank managers and engage in conversation with them, and to make application for funding that is there at the moment and will continue to be available for the future. On top of that, early in the new year the small business finance scheme will also be available. That is real action being taken by the Government, not the gesturing of the Conservative party.

Balance of Payments

8. **Mr. Henry Bellingham** (North-West Norfolk) (Con): What recent assessment he has made of the macro-economic effect of the UK's balance of payments. [244638]

The Financial Secretary to the Treasury (Mr. Stephen Timms): The pre-Budget report forecast the current account deficit of the UK balance of payments to narrow in the second half of 2008 and in 2009, with net trade forecast to add three quarters of a percentage point to gross domestic product growth next year.

Mr. Bellingham: Is that not an incredibly complacent reply? Is the Financial Secretary not ashamed that having inherited a trade surplus in 1997, our deficit last year was the worst since records began—when William of Orange was on the throne? Is it not a disgrace that the trade deficit in manufactured goods has grown from £7 billion in 1997 to a staggering £59 billion last year? Why do the right hon. Gentleman and the Chancellor never talk about the balance of trade? Is it any wonder that the pound is falling so sharply?

Mr. Timms: I remind the hon. Gentleman that there have actually been quite a few occasions in the past when the current account deficit was higher than it is now. To give him one example, it was 3.8 per cent. in the third quarter of 2007, but it was 4.9 per cent. in 1989 and it is more than 5 per cent. now in the United States. Our strategy is to ensure strong competition in every UK market by promoting openness to free trade, minimising product market regulation and ensuring that there are world-class competition authorities. That is the strategy we are pursuing and we will do so successfully.

Stewart Hosie (Dundee, East) (SNP): The Minister is right: for the first time in a number of years the trade deficit will narrow to about £50 billion for each of the next three years and there will be a net benefit to GDP growth rather than the 0.25 to 0.5 per cent. suppression that we seen since 2000. However, the forecasts in the pre-Budget report were made before the continuing collapse of sterling which makes imports much more expensive. Will the Treasury commit to give a new assessment early in the new year based on the current sterling situation?

Mr. Timms: Of course we will constantly monitor developments in the economy, as my right hon. Friend the Chancellor emphasised, but we stand by the forecasts we set out in the PBR and our strategy is absolutely the right one.

Government Finance

9. **Mr. Desmond Swayne** (New Forest, West) (Con): What recent representations he has received on the level of Government borrowing. [244639]

The Chief Secretary to the Treasury (Yvette Cooper): We have received representations covering a wide range of issues, including discussions with a series of national and international institutions which support the case for higher borrowing to support the economy.

Mr. Swayne: Does the Chief Secretary accept a representation from me that, by the Treasury's own figures, the national debt is set to double by 2012, to £1 trillion? Will she confirm that, for next year, Government borrowing as a proportion of our national income will be higher than when Denis Healey went to the International Monetary Fund?

Yvette Cooper: I should perhaps point out to the hon. Gentleman that borrowing as a proportion of gross domestic product will be not dissimilar to the level that it reached in the early 1990s, when, in fact, the Conservative party doubled the national debt in the space of just five years in response to a home-grown recession, when it did not have an international, world financial crisis to deal with on a scale that we have not seen for many generations. We think that the right thing to do is to increase borrowing right now to support the economy, so that we can come through this faster and stronger.

Mr. Graham Stuart (Beverley and Holderness) (Con): The German Finance Minister, in talking about the borrowing that the Government are proposing, described the result as a complete failure of Labour policy. Will the Chief Secretary perhaps explain in what way that was an internal political comment in the German context?

Yvette Cooper: As my right hon. Friend the Chancellor has already explained, the Germans have in fact increased their support for the economy with a fiscal stimulus earlier this year. We think that they were right to do that, and we will judge them on what they do, rather than on what they say. It is rather amusing that Conservative

Members are now taking to quoting Europeans whom they would never have quoted before in support of their economic strategy, and they continue to be isolated—not just in Europe, but right across the world—in their opposition to action to help people through this and to support the economy right now.

Topical Questions

T1. [244654] **Greg Mulholland** (Leeds, North-West) (LD): If he will make a statement on his departmental responsibilities.

The Chancellor of the Exchequer (Mr. Alistair Darling): The Department's objectives remain the same as I said at the last Treasury questions.

Greg Mulholland: Figures released yesterday show that unemployment has risen to its highest level since 1997, with a 7 per cent. increase in the past three months in the Yorkshire and Humber region alone—devastating news for people just before Christmas, as well as a huge burden on the taxpayer. The economist, George Buckley, has said that, because unemployment is normally a lagging indicator,

"to see so many job losses this early in the economic cycle is extremely worrying."

Does the Chancellor agree with that? If he does, is the Government's rescue package therefore simply not good enough?

Mr. Darling: No. I believe that it is necessary, though, for us to do everything that we can to help people who lose their jobs. That is why, in the pre-Budget report, I set aside a further £1.3 billion to help the Department for Work and Pensions and Jobcentre Plus in particular, so that if people lose their jobs, we can help to match them with vacancies. It is worth bearing in mind that, even during the past month, more than 200,000 people went into work—they found new jobs—and we need to ensure that we match those people who may lose their jobs with the vacancies currently in the economy. We are taking action, but, of course, the other action that we have taken to stabilise the banking system and provide wider support for business will help as well, but I am determined to do everything that we possibly can to ensure that we help people who lose their jobs.

T7. [244662] **Alun Michael** (Cardiff, South and Penarth) (Lab/Co-op): Once crimes are committed, heavy costs fall to the criminal justice system, whereas the costs of prevention largely fall to other bodies and organisations. I am thinking of mental health, education and skills and community engagement. Will the Chancellor give fresh thought when making allocations to disbursing funds in ways that reward those organisations, bodies and agencies that work co-operatively and help the process of preventing crime and penalise those who insist on staying within their own silos?

The Chief Secretary to the Treasury (Yvette Cooper): My right hon. Friend is right that we have far more effective results not only if we work on prevention, rather than on simply ameliorating the problems later on, but if we can get better co-ordination between agencies. That is why we have been supporting the local area agreements between councils, the police and other local organisations and doing that more widely as well. We are keen to do more to ensure that funding works in that way and supports the kind of partnership action that can, as he says, deliver results.

Mr. George Osborne (Tatton) (Con): The director general of the CBI has just sent a letter to all his members that says:

"Until this underlying issue—getting credit flowing around our economy—is resolved, economic activity cannot begin to recover",

that the Government have failed to

"address the root of the problem"

and that, until they do,

"other government initiatives to mitigate the recession will be ineffective and expensive failures".

When will the Prime Minister and the Chancellor swallow their pride, accept that the bank recapitalisation plan has not rescued the economy and introduce a national loan guarantee scheme, which we have proposed and which this country needs?

Mr. Darling: The purpose of the recapitalisation scheme, which was clearly stated when I set out the proposals in October, was to ensure that the banking system remained viable and to rescue it from imminent collapse. We did that, and other countries right across the world did the same. I said at the time, and I say again today, that we will continue to look at that scheme to see how it can be improved and further strengthened. The director general of the CBI, to whom I spoke last night, is quite right to say that we need to do more to ensure that banks lend in the wider economy. It is important that we ensure that banks are sufficiently strong to do that, but it is also important to make sure that lending takes place.

As for the hon. Gentleman's proposal, it is an empty promise. He talks about a national scheme, yet he has quite explicitly said that the Conservative party would spend no more money; it would do absolutely nothing, so the promise that he makes is empty. Instead, he should perhaps pay greater heed to what the chairman of the CBI said—that although there might be a cost to the fiscal stimulus, the cost would be far greater if we did nothing.

Mr. Osborne: The national loan guarantee scheme is supported by every single business organisation. It is exactly equivalent to the inter-bank guarantees that the Government have put in place, but does not add to public expenditure. It is consistent with what the Governor and deputy governor of the Bank of England have said this week. Is not the truth that the country has been in recession for six months, and Labour's policies are not working? The Government said that they would get recapitalisation going to help start lending again, and lending is contracting. They said that their stamp duty holiday would restart the housing market, and it is plummeting. They said that they would pay bills to small businesses more quickly, and a survey today says that the situation is actually getting worse. They said that their massively expensive VAT cut would stimulate the economy, but their own former Minister, the right hon. Member for Birkenhead (Mr. Field), says that it is

"like spitting in the face of an economic hurricane"—*[Official Report*, 17 December 2008; Vol. 485, c. 1139.]

Meanwhile, unemployment is soaring early in the cycle, and a Cabinet Minister says that Britain is facing the worst recession that we have ever known. Could the Chancellor explain why it is that all Labour Governments leave office with unemployment higher than when they entered office?

Mr. Darling: What the hon. Gentleman says might have more strength if he was prepared to do something to help the economy, businesses and people; he is not prepared to do so. He talks about a scheme for national lending, yet he has quite explicitly said that there will be no more money to support it. That is an empty promise. We are supporting the economy and are helping people. We have recapitalised the banks, which has prevented many banks from collapsing. We are taking steps to extend lending. The measures that we have taken in relation to VAT, to cutting income tax for basic rate taxpayers, and to helping businesses will all help in the face of a global downturn, the like of which we have not seen for generations. The Conservative party is making it quite clear that if it were in office, the choice that it would make is to do absolutely nothing to help people. *[Interruption.]* That is what the Conservatives did in the 1980s and the 1990s. They can shout and bawl all they like, but the fact remains that the Conservatives' approach is wrong, muddled and would not help the British economy or the people of this country.

Harry Cohen (Leyton and Wanstead) (Lab): Earlier, the Chancellor said that the US regulatory authorities have some questions to answer about the Madoff $50 billion fraud, but at least over there they prosecute their fraudsters. Madoff was prosecuted, as was Conrad Black and the chief of Enron. The City of London has a lamentable record when it comes to investigating, prosecuting and convicting City fraudsters. Will the Chancellor or other Ministers look into that, and improve the situation, so that those associated with fraudulent activities that have led to the credit crunch here in the UK are prosecuted?

Mr. Darling: Earlier this year, in the summer, I set out proposals to strengthen the powers available to the Financial Services Authority, so that if there is wrongdoing in markets it can take action and, if necessary, make criminal prosecutions.

T2. [244655] **Richard Ottaway** (Croydon, South) (Con): In the pre-Budget report, the Government announced value-for-money savings of £5 billion. Is the Chancellor aware, however, that this week the Public Accounts Committee found that a cost-saving initiative at the Department for Transport cost one and a half times the sum of money that it was trying to save? On that basis, the savings initiative will cost taxpayers £7 billion. Does that not prove that this is a say-anything, achieve-nothing Government?

Yvette Cooper: As the hon. Gentleman will know, and as the Public Accounts Committee will be aware, the Government have in fact achieved more than the original targets for the Gershon savings, which were more than £20 billion; there has been considerable independent examination of that. Furthermore, we are on course to deliver more than £30 billion in efficiency savings as part of the comprehensive spending review, and we have set these further targets now as part of the pre-Budget report. That contrasts with the approach of the hon. Gentleman's party; his party leader said:

"It cannot and must not simply be about 'efficiency savings'"—

presumably, his party prefers service cuts.

T3. [244658] **Jo Swinson** (East Dunbartonshire) (LD): The economic downturn is hitting East Dunbartonshire hard. Flexible Ducting has announced the closure of its Milngavie plant with the loss of 85 jobs, and unemployment has risen by 36 per cent. in the past year. Instead of tinkering, with a VAT cut, surely the Chancellor should invest the money to kick-start the economy by investing in green initiatives to create jobs, cut energy bills and tackle climate change.

Yvette Cooper: I agree with the hon. Lady that we want to keep investing to support green jobs. That is a great opportunity for us for the future; it is certainly an issue on which the new Department is working hard. We need to continue to invest in things such as the capital projects. That is why a major part of the fiscal stimulus was bringing forward capital programmes to support jobs. However, it is also right to put money into people's pockets right now, very quickly, to help support the economy. Hon. Members on both sides should recognise that the scale of the economic challenges that face every single country in the world means that we have to take a whole range of measures. That is the best way to get the kind of action that we need and to help us come through this situation faster.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): Despite the Chancellor's efforts to recapitalise the banks—and he has done everything that he can in that direction—is it not the case that banks must not enter into a reckless round of lending, but look for good companies, which will be around at the other side of this recession, to take advantage of his generosity at this point? Is it not also the case that banks rightly recognise that too many boardrooms are stuffed with old Etonians who have no idea of how to deal with modern business, but allow themselves to be fooled by greed and avarice and go into schemes that lose billions for their country?

Hon. Members: Speak for Loretto!

Mr. Darling: I do think that it is important—*[Interruption.]* Mr. Speaker, you have only to look at the behaviour of those on the Opposition Front Bench to see how fit they are to run anything. I agree with my hon. Friend. Although we want to encourage banks to lend into the wider economy, banks need to be certain that they engage in responsible lending and do not end up lending money to people who cannot repay the loans that they take out.

T4. [244659] **Mr. Michael Jack** (Fylde) (Con): This week, the Public Accounts Committee has alerted us to the fact that the Department for Transport's initiative on shared services is to cost the taxpayer £81 million. In the same week, the Department for Environment, Food and Rural Affairs has been fined £75 million

because of its failure to deliver on the Rural Payments Agency. What steps is the Chief Secretary to the Treasury taking to make certain that those Departments bear proper responsibility for that profligate waste of the public's money? Who is going to resign, and what will she do to prevent such things from happening in future?

Yvette Cooper: It is exactly because it is important to make sure that we pursue every avenue in tackling waste and inefficiencies that we have the Public Accounts Committee, the National Audit Office and the Audit Commission. It is right that there should be all those organisations and that they should do their jobs in pursuing such matters. It is also right that Departments need to take greater action to root out waste wherever they find it. That is why we have set the further target of another £5 billion of efficiency savings in 2010.

T6. [244681] **Mr. Andrew Mackay** (Bracknell) (Con): Way back in July, the parliamentary ombudsman published a telling report on Equitable Life. That was immediately followed by a promise from the Leader of the House that the Government would respond with a statement from the Dispatch Box in the autumn. That did not happen, and during the Queen's Speech debate the Prime Minister clearly and twice repeated that there would be a statement before Christmas. Why is the Chancellor defying his Prime Minister?

The Economic Secretary to the Treasury (Ian Pearson): I had hoped that we would be able to make a statement on Equitable Life before the recess, and it is a matter of regret to me that we have not been able to do so. I apologise to the House and to the Prime Minister for the fact that it has taken a little bit longer than I would have liked to get the policy options to a stage where we can make a firm decision and issue a statement. My right hon. and learned Friend the Leader of the House has announced that a statement will be made when we come back after the Christmas recess, and I am sure that that will be the case.

T8. [244683] **Danny Alexander** (Inverness, Nairn, Badenoch and Strathspey) (LD): People in the highlands and islands want to see all levels of government working together to tackle the economic crisis. Will the Chancellor therefore join me in condemning the Scottish Government's decision to cut nearly £100 million from the budget of Highlands and Islands Enterprise over the next three years, at a time when that organisation should be helping the local economy? Will he work with the Highland council to help it to bring forward measures to boost the local housing market, particularly through construction, so that we can help to create jobs in a sector where there have been huge job losses in my area over the past few months?

Mr. Darling: I agree with the hon. Gentleman. We need to ensure that we support jobs in all parts of the country, including the highlands and islands of Scotland. The nationalist Administration could do far more than they are doing. For example, we have said that we want to bring forward public investment; they have said in principle that they are prepared to do that but have yet to come up with specific proposals. Moreover, their reforms of the private finance initiative have meant, in effect, that a lot of investment has been sterilised. It is high time that they realised the importance of getting on with supporting the whole Scottish economy as well as that of the highlands and islands.

Iraq

11.31 am

The Prime Minister (Mr. Gordon Brown): With permission, Mr. Speaker, following my visit to Baghdad and Basra yesterday, I shall make a statement about the future of British troops in Iraq, the timetables, our legal agreements and our force numbers.

Let me begin by asking the whole House to join me in paying tribute to the heroism of all our armed forces and to their service and sacrifice in Iraq and, of course, in Afghanistan and in peacemaking missions around the globe. Let me pay particular tribute to those who have given their lives in the service of our country—military and civilian personnel. We salute their courage and will honour their achievements. Today we remember in particular Lieutenant Aaron Lewis, 29 Commando Royal Artillery, killed in Afghanistan on Monday, and the soldier from 1st Battalion The Rifles killed in Afghanistan yesterday. At the time of Christmas their families are uppermost in our thoughts.

On 22 July, I set out to the House the key remaining tasks for the UK's mission in Iraq, and I can today report progress on all these tasks. Taken together, the tasks that we set ourselves reflect our underlying priorities: security for the region, democracy in Iraq, and reconstruction to help the Iraqi people—security against terrorists, strengthening democracy in place of dictatorship, and reconstruction to give Iraq's people a stake in the future.

First, on security, our aim has been to entrench security improvements by putting Iraqis in charge of their own defence and policing for the future. Our most recent contribution has been to help with training thousands of new Iraqi forces and policemen and women. In total, the UK has helped to train more than 20,000 troops and more than 22,000 police. In total across Iraq, 500,000 troops and police have been trained by the Americans, the UK and other forces. In addition, we have already mentored three brigades of 14th Division, with 9,000 troops, to become combat-ready—the very troops that have repeatedly mounted successful independent operations making Basra now safer for its citizens. As a result, in the past year violence and criminality in the Basra region have fallen dramatically. Yesterday, I met the commander of the Iraqi 14th Division and Iraqi security forces and their embedded British training teams working with them in Basra. I can tell the House that our commanders judge that training is making good progress and is now nearing completion.

Our second task is to strengthen Iraqis' emerging democracy. At the heart of embedding democracy is the most immediate task of ensuring successful local provincial elections. Provincial elections are now scheduled for 31 January 2009. Conditions are in place nationwide for a high turnout under a UN-supervised process, with security led by Iraqis' own security forces.

Thirdly, there is reconstruction and our aim to give the Iraqi people an economic stake in the future. That has meant restoring economic activity and building basic services in the Basra area.

Recent proposals for new investment in the Basra area now amount to $9 billion-worth of projects. With assistance from Mr. Michael Warning, whom I thank, the Department for International Development has helped arrange 18 investment missions in the past few months. Following our London and Kuwait investment conferences, the new Basra investment commission, which we helped establish, is holding a major investment conference today in Istanbul. In addition, the Basra development commission has launched a youth employment scheme, which already works with nearly 100 employers to give work experience and training to potentially thousands of young Iraqi people.

We have helped rebuild the economic infrastructure. Since 2003, we have spent £100 million on giving more than 1 million people improved access to clean water and power. Basra airport, which is central to future economic development, is now under effective Iraqi civilian control, delivering on the commitment that I outlined to the House in July. That includes air traffic control and management of the airport terminal—now under the control of the Iraqi authorities—and we expect to complete formal handover arrangements at the turn of the year.

Since criminal gangs were driven out of the port of Umm Qasr by the Operation Charge of the Knights Brigade, there are now plans for major port expansion. New investor proposals and contracts, including from British companies, offer the potential to make Basra once again the major trading hub in the region.

On 1 January 2009, with the expiry of United Nations resolution 1790, Iraq will regain its full sovereignty. Yesterday in Baghdad, I told Prime Minister Maliki, and he agreed, that British forces in Iraq should have time to finish the missions that I have just outlined. In the past three weeks, concluding with our talks yesterday, we have made substantial progress with the Government of Iraq. We have defined: first, the tasks that need to completed; secondly, the authorisations needed to complete them; and thirdly, a way to provide a firm legal basis for our forces. At all times, we have worked closely with President Bush and the Americans, and our other coalition partners.

On 16 December, the Iraqi Council of Ministers agreed to submit to the Council of Representatives a short draft law to give the presence of UK forces a legal basis after 1 January. The law is now going through the Iraqi Council of Representatives; it had its first reading yesterday and is scheduled to have its second reading on 20 December. We expect the process to be complete before UN resolution 1790 expires. In the event of the process not being complete, the Iraqis have told us that Coalition Provisional Authority order 17, which confers protection on coalition troops, will remain in place. Our troops will therefore have the legal basis that they need for the future.

Once we have completed our four tasks, including training for the headquarters and specialists of 14th Division—with the precise timing of its completion decided by commanders on the ground—the fundamental change of mission that I described in the House last summer will take place by 31 May 2009 at the latest. At that point, we will begin a rapid withdrawal of our troops, taking the total from just under 4,100 to under 400 by 31 July. The majority of the remaining troops will be dedicated to naval training.

Yesterday, Mr. Maliki and I agreed that Britain's future role will focus on continuing protection against attack of Iraqi oil platforms in the northern Gulf, together with long-term training of the Iraqi navy—work

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that I saw for myself at the port—and support for training the officers of the Iraqi armed forces. In other words, that is the realisation of a normal defence relationship, similar to those we have with our other key partners in the region, which I agreed with Mr. Maliki in July was our joint objective for 2009.

Of course, that relationship will be one strand of a broader, enduring relationship with democratic Iraq, which I also discussed yesterday with the Prime Minister. Our future relationship will be one of partnership. We agreed to continue the shift of focus to economic, commercial, cultural and educational relationships. We will maintain a large embassy headed by a senior ambassador in Baghdad and maintain small missions in Basra and Erbil. The embassy in Baghdad will expand its commercial office and the Department for International Development will expand its programme of economic advice in Baghdad. We have discussed a plan with Prime Minister Maliki for British companies to provide expertise to the Iraqi Ministry of Oil, and Britain can help Iraq's plans to give 10,000 Iraqi students scholarships overseas.

In the past five and a half years, Iraq has faced great challenges and endured dark days, but it has also made significant progress. We can be proud of the way in which our forces carried out their mission in the most difficult times, and we can be proud of what they have accomplished. In my discussions with Prime Minister Maliki, the two vice-presidents, the Basra governor and the army leadership, I was assured of Iraq's continuing gratitude for Britain's role in freeing Iraq from tyranny. The UK's new relationship with the new Iraq is one that has been justly earned by the efforts and sacrifices of our forces, and by our contributions to Iraq's peace and reconstruction.

Iraq has many challenges to confront in the days to come. No road that it takes will be easy, but today's levels of violence across the whole of Iraq are at their lowest for five years, economic growth this year is almost 10 per cent., and yesterday, in Basra, I was told that for just 35 seats being contested in the provincial assembly elections in January, there are more than 1,270 candidates, with 53 different party labels, standing for election. So, as Iraq approaches its second free provincial elections, democracy is clearly growing.

In supporting and protecting the progress that we have made, the British campaign has endured great hardship and sacrifice. Yesterday, I stood with the Chief of the Defence Staff, the head of the Iraqi army in Basra and members of our own forces outside our headquarters in Basra, in front of the memorial wall naming and commemorating every single one of the 178 British servicemen and women who have lost their lives in Iraq in the service of our country. It was a fitting and moving tribute to men and women whom we must never forget. Because remembrance is vitally important, the Defence Secretary and I have decided, after consultation, that we shall bring that memorial wall now standing in Basra home to a fitting resting place of its own in our own country. We will do so when, at the end of July, the last of our combat troops leave Basra. It is a memorial now for ever to be in Britain. I commend this statement to the House.

Mr. David Cameron (Witney) (Con): May I particularly welcome what the Prime Minister has just said about the wall in Basra? I think that that is absolutely right. I join him in paying tribute to the soldier from 1st Battalion The Rifles who was killed in Afghanistan yesterday, and to Lieutenant Aaron Lewis, who was also killed. Our thoughts should be with their families and friends, particularly at this time of Christmas.

Everyone, and not least the families of those still serving in Iraq, will welcome today's announcement on troop withdrawal. As I have seen for myself in Iraq and elsewhere, our forces always carry out the tasks that are assigned to them with professionalism and courage, and they are a credit to this country. We should also recognise that, as well as the Army, the Navy and the RAF have both served superbly in Iraq. Today of all days, we must remember the fallen in Iraq and the many who have been wounded. Since March 2003, 178 have lost their lives. Their friends and families are in our thoughts and prayers at this time. I should also like to pay tribute to the local Iraqi interpreters, some of whom took unbelievable risks on our behalf. They deserve not only our thanks but our sanctuary.

On the legal basis for our troops, of which the Prime Minister gave a full explanation, will he confirm that, in the first half of next year, they will have exactly the same legal protection as the Americans, under their status of forces agreement, particularly if they need to defend themselves using force? Can he also tell us what the terms of the legal agreement will be between May and July next year—that is, after the end of the mission but before a number of our troops have returned?

Three key issues arise from the statement: first, the achievements of the last six years; secondly, the handover next year; and thirdly, the lessons that we must learn for elsewhere, especially Afghanistan. First, on the last six years, does the Prime Minister agree that, like all of us who supported the action in Iraq, he needs to strike a realistic tone about what has, and has not, been achieved? Security has undoubtedly improved over the past few months. The Maliki Government can now take the lead in upholding order and, crucially, as the Prime Minister said, the people of Iraq have at least seen a potential democratic way forward. Does he accept, however, that the economic conditions and the state of basic services mean that the daily reality for many Iraqi citizens remains dire? Given that women are being attacked in Basra for not wearing the hijab, and that many Christians are still being persecuted, does he agree that serious human rights abuses remain?

That brings me to the second issue—the handover. Clearly, Iraqi forces will still have help from US forces. What is the Prime Minister's assessment of the ability of the Iraqi security forces and the police to maintain security in the medium term? It is clearly in all our interests that Iraq remains a united sovereign country, so can the Prime Minister provide an assessment of the current role of Iran in southern Iraq? Does the Prime Minister agree that, as part of being a sovereign united country, it is essential that Iraq enjoys normal relations with all its neighbours? Can he tell us what steps he is taking to encourage all Arab countries to send ambassadors and fully staffed embassies to Baghdad?

In terms of the economy, Iraq has a large fiscal surplus. Can the Prime Minister tell us more about the steps he is taking to ensure that British firms benefit

from that and from reconstruction projects? Can he confirm specifically that, until recently, there was no permanent representative of the Department for Business, Enterprise and Regulatory Reform in our embassy and can he tell us whether that has been put right?

The third issue is the lessons for elsewhere, and particularly for Afghanistan. Does the Prime Minister agree that Iraq has taught us some tough lessons in the need for such missions to be carefully planned not just in the war fighting, but in the post-conflict phase? Does he agree that they must have clear and specific objectives and must be properly resourced from the outset? Does he accept that the mission in Iraq was deficient in all those respects and that it is essential that we do not perpetuate those mistakes in the continuing mission in Afghanistan? Does he agree that, crucially, an important lesson is that any increases in armed forces will succeed only if they are accompanied by genuine political progress? Is it not the case that in Iraq it was only when key sections of the population decided to lend support to the Government and not the insurgency that the real breakthrough was made? Does he agree that that will be equally important in Afghanistan?

With the need to learn all these lessons in mind, will the Prime Minister tell us why he has not today announced a full-scale independent inquiry? Should we not be clear about the purpose of such an inquiry, which is not simply to rework exhaustively the decision to go to war, important though that is, but to examine the mistakes made in its conduct and planning? Does the Prime Minister accept that if we do not learn from the mistakes of the past, we are more likely to make them again in the future? Surely we do not have to wait until all the troops have been withdrawn, as inquiries have been held before when our troops have been deployed. After all, with 400 British troops remaining in Iraq into the future, if we follow the Prime Minister's logic, there will be no inquiry for many, many years.

What we surely need is a robust, independent inquiry with powers and membership comparable to the Franks inquiry into the Falklands war. Should it not examine the origins and conduct of the war in their entirety and be able to question Ministers, including all the members of the War Cabinet? Will the Prime Minister give a commitment today to set up such an inquiry so that we can learn from the mistakes that were made? Does he not agree with me that that is just one of the many things that we owe to our brave armed forces?

The Prime Minister: We are in total agreement about the contribution that our forces have made, about the help that we have been given by Iraqi citizens and about the need for economic development and political advances in democracy always to complement what is done militarily. Where I part company with the right hon. Gentleman is that I do not believe that Iraq is an exact parallel to Afghanistan—*[Interruption.]* Well, Afghanistan was a country held by the Taliban, but it was virtually ungovernable and had very little economic development. Iraq is confronted by a number of problems, including divisions within the country between different groupings as it deals with the legacy of Saddam Hussein. As the right hon. Gentleman rightly says, it also has the presence of Iran as a threat on its border. I believe that we have to look at some of the things we have done in Iraq as quite different from what we are doing in Afghanistan.

As to the right hon. Gentleman's questions about what will happen over the next few months, I am satisfied that the overwatch we have carried out over the last period of time, in which Iraqis themselves have been involved in combat and we have been training them, sometimes while embedded among them, for future purposes, means that as we leave, the Iraqi forces are strong enough both to maintain order in the Basra area and to have policing services that, although not ideal, are sufficient for the task.

Of course, there are very difficult days ahead for Iraq. It still has a great deal of work to do, as the right hon. Gentleman said, on rebuilding its economy, but I believe that we have made a very significant contribution to that. Iraq still has a lot of work to do in improving its democracy, and the local government elections will be important to it. Of course, there is still far more to do to train its navy. That is one of the reasons why, as I saw yesterday, a great deal of British work will now involve helping the navy to do what it has to do to be a strong navy in the area.

The right hon. Gentleman asked about the agreement between our forces and the Iraqi Government. The agreement provides the conditions under which, following the expiry of the UN resolutions, our forces can be protected while in the country. I will place in the Library the document that is going to the Iraqi provisional assembly, the Council of Representatives. It contains means by which, if there are disputes on these matters, they can be resolved, and it maintains that if a case came up, any person concerned would remain in British detention, not Iraqi detention, during the period of the investigation. It is similar but not entirely similar to the United States' agreement. We should remember that the United States' presence will be longer. It is engaged more than we are in combat operations, and the discussions with the Iraqi authorities were different from the very special discussions that we had with the Iraqi authorities.

May I add one point about the economic situation? We have a large number of people helping the Iraqis to develop their economy. Michael Wareing has done a huge amount of work and is holding the investment conference today. I have met the Basra development commission on a number of occasions. The Secretary of State for International Development and the Foreign Secretary have been deeply involved in helping it.

I was asked about the involvement of the Department for Business, Enterprise and Regulatory Reform. There will be a UK Trade & Investment presence, which is a joint Foreign Office-Business Department operation, and the Secretary of State for Business, Enterprise and Regulatory Reform will visit Basra and the area at the start of the year. I was also asked about embassies. The United Arab Emirates recently set up an embassy in Baghdad, and we are encouraging other countries to do so.

Equipment is an issue that often comes up in relation to lessons that we must learn. I can say today that the Secretary of State for Defence is announcing that the Ministry of Defence has signed a contract worth more than £150 million to buy more than 100 new tracked all-terrain vehicles, which will be known as Warthog and will provide improved protection for our forces, while retaining the all-terrain capability of Viking vehicles, which have proved invaluable over the past two years in

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the terrain of Iraq and Afghanistan. Whenever money has been required for new equipment, armour or helicopters, we have been prepared to provide it.

As for the right hon. Gentleman's last point about an inquiry, I should say to him that the Franks inquiry dealt only with the causes leading up to the Falklands war, not the war itself. I presume that what he is proposing is different, not the same as the Franks inquiry, but I have always said that this is a matter that we will consider once our troops have come home. We are not in that position at present, so it is not right to open the question now. That is the course of action that the Foreign Secretary, I and others have stated to the House on many occasions.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I would obviously like to add my own expressions of sympathy and condolence to the family and friends of the unnamed soldier from 1st Battalion The Rifles and Lieutenant Aaron Lewis, who tragically lost their lives in Afghanistan. Their deaths are reminders of the sacrifice and bravery of all British servicemen and servicewomen who have lost their lives over the past year.

Let me be clear: I passionately believe that it was a mistake to invade Iraq, but I am second to none in my admiration for the professionalism, dedication and courage of British servicemen and servicewomen. That is why I share their relief and the relief of their long-suffering families that they will finally be coming home soon. We should all be proud of them. But are the Government not ashamed of what they have asked them to do, and are the Conservatives not ashamed that they cheered the Government on? Listening to the Prime Minister's extraordinarily rosy account of Iraq, one would have been forgiven for thinking that nothing had ever gone wrong.

Is the Prime Minister not ashamed that he and the Conservatives sent our brave servicemen and servicewomen into an illegal war? When will the Prime Minister apologise for what he did, signing the cheques for George Bush's invasion? Is not the true scandal today, as we look back at that fateful decision to send our troops into battle in Iraq, the single worst foreign policy decision in the past 50 years, that not one of the men and women on the Government Benches and on the Conservative Benches will apologise for what they did? Is it not time for the Government and the Conservatives to hold up their hands and say sorry to the British people for Iraq?

I am proud to be speaking from the Liberal Democrat Benches today and leading the only party that was steadfast in its opposition to this illegal war. Does the Prime Minister remember that when my party voted—every single Liberal Democrat MP voted to stop the war—his party and the Conservatives booed and jeered? President-elect Obama called the Iraq invasion a "dumb war". Obama was right; they were wrong.

We have paid a huge cost for the Government's decision to cover George Bush's back, following him, no questions asked, into an unethical, unjustified and illegal invasion—a human cost, the cost to our own standing in the world and to the rule of law and good government here at home, the cost of increased radicalisation and instability in the Arab world and beyond, and an immense cost to British taxpayers, at £4 million every day, and counting. Does the Prime Minister now accept Joseph Stiglitz's estimate that the Iraq war will have cost us £20 billion? That is equivalent to about 800 of the Chinook helicopters that our troops desperately need in Afghanistan.

Will the Prime Minister commit himself to a full inquiry? Unlike the Franks inquiry, it should be open. It should be held in public, because it is the public who need to see and hear that lessons really are being learned. The Government must not end this war as they started it—in secret, unaccountable and behind closed doors. Does the Prime Minister agree—*[Interruption.]*

Mr. Speaker: Order. Let the right hon. Gentleman speak.

Mr. Clegg: Of course hon. Members do not want to be reminded of the past. They refuse to learn the lessons for the future.

Does the Prime Minister agree that we do not need an inquiry to know who bears the heavy responsibility for invading Iraq five and a half years ago? It is on the record in the votes of the House, because for all the shouting and heckling that we hear today from those on both the Conservative and Labour Benches, they know that they were the ones who let this happen. They know that their votes signed us up to George Bush's war. They had the choice; they let Britain down.

The Prime Minister: I appreciated what the right hon. Gentleman said right at the beginning—that he, too, welcomed the contribution and the sacrifice that had been made by our troops in Iraq, just as they make sacrifices and serve us with distinction every day in Afghanistan and in every other part of the world where they are fighting.

I should remind the right hon. Gentleman that the war in Iraq was not a secret war, as it was voted for in the House by a majority of the House; that Iraq was a dictatorship and is now a democracy; that Iraq had persistently defied international law; and that Iraq is now in line, as a democracy, with the laws of the rest of the world. As for everything else he says, people can be proud today that Iraq is in a far better position than it was five years ago.

Mr. Don Touhig (Islwyn) (Lab/Co-op): I welcome my right hon. Friend's statement today, and in particular his announcement at the end of his statement that the Basra memorial wall will be brought to this country. Will the Government find a suitable opportunity, when all our troops are back, to allow the people of this country to demonstrate publicly their admiration and affection for the brave men and women of our armed forces?

The Prime Minister: We will look at the circumstances in which the memorial wall is returned to Britain and what can be done. Of course, there is also a permanent memorial to all those who have given their lives in the service of Britain since the second world war. That was established last year. We will consider what my right hon. Friend says.

Mr. James Arbuthnot (North-East Hampshire) (Con): Does the Prime Minister agree that the democracy in Iraq is not perfect, but it is improving; that the security situation in Iraq is very far from perfect, but it, too, is

improving; that Iraq no longer poses a threat to its own population, to the region and to the world; and that now is the time to pay an enormous tribute to the soldiers of the United States, of the United Kingdom and of our allies for their enormous sacrifices and for their huge achievements?

The Prime Minister: I am grateful for the right hon. Gentleman's words, which I think will command great support in the House. I pay tribute not only to the British and American forces, and the forces from other countries, that contributed to the effort in Iraq, but to the Iraqi people, who—sometimes under huge provocation and huge persecution—have contributed to the building of their democracy.

Ann Clwyd (Cynon Valley) (Lab): I am very proud that this country helped to free Iraq from the tyranny of Saddam Hussein. Anyone who has followed the history of Iraq will know that we did the right thing at that particular time.

I am glad that the Prime Minister has reaffirmed that the withdrawal of our military efforts does not mean an end to our commitment to the people of Iraq, and that they will continue to benefit from our ongoing support for civil society and particularly for human rights. He will be interested to know that at a very successful conference that I chaired at the Foreign Office this week, attended by three Iraqi Ministers and 50 outside participants, the universal view was that that kind of British involvement would be essential in the future, which was very welcome.

The Prime Minister: I pay tribute to the work that my right hon. Friend has done as a special envoy to Iraq, the work that she has done with the Kurdish population of Iraq, and the work that she continues to do to bring about reconciliation between the different communities of Iraq. She is absolutely right that the relationship between Iraq and Britain will be strengthened at a cultural, economic, educational and social level, and I discussed that with Prime Minister Maliki yesterday. We will invite Iraqi students to come to Britain with scholarships that the Iraqi Government wish to provide; we now have a history of economic engagement with the Iraqi people in helping to rebuild their economy; we are helping young people to obtain jobs in circumstances in which otherwise they would be without work; and in every part of Iraq, not just in Basra, we want to build long-term connections with the Iraqi people.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Withdrawal from Iraq will doubtless lead to increased pressure to deploy further United Kingdom troops in Afghanistan. Does the Prime Minister agree that we should not do so unless other major NATO countries are prepared to deploy troops in a combat role in Helmand province? Will he tell the House what conversations he has had with other major NATO countries—at the European Council last week, or since then—about their willingness to do that, and what their response was? The House is entitled to a clear and unambiguous answer.

The Prime Minister: I am grateful to the right hon. and learned Gentleman for asking questions to which I can give clear answers.

We will look at the situation in Afghanistan—as we do now—on its own merits, and in the light of what needs to be done because of what is happening in Afghanistan itself. To that extent, it is unrelated to any decisions that we make in Iraq. At the same time, we have already announced the deployment of additional forces in Afghanistan on two occasions in the past year, most recently earlier this week, and, as the right hon. and learned Gentleman knows, we are making a substantial contribution to the 41-member coalition in Afghanistan.

It is right to emphasise the need for burden-sharing, whether it applies to troops, equipment or the financing of some of the operations in Afghanistan. I said on Monday that that would be a major theme of the NATO summit which will take place on 3 and 4 April. Burden-sharing is essential if we are to defeat the Taliban and retain Afghanistan as a democracy playing its proper role in the world. Obviously we continue to discuss the issue with Germany, France and other countries, but the right hon. and learned Gentleman should not fail to note that a substantial additional number of troops have been brought in by, for example, the French in the past few months.

Keith Vaz (Leicester, East) (Lab): I welcome the Prime Minister's visit yesterday and his statement today. As he knows, 300 Iraqi interpreters have been killed so far. He also knows that last year the Government made an honourable statement that they would allow an immigration concession enabling those people to settle in the United Kingdom. How many have now settled in the United Kingdom, and how many remain to be processed? Will he assure the House that the process will have been completed by the time the last of our troops returns home?

The Prime Minister: As my right hon. Friend knows, this is a difficult and complex issue. We wish to thank the Iraqis who risked their lives and their safety to be of assistance to us. I believe that the policy we announced on 9 and 30 October 2007 strikes the right balance between what we must do to protect those people and how we can at the same time maintain the levels of expenditure in our country that are necessary to finance it.

So far, more than 300 staff have chosen and received the financial package that we offered, and 72 staff and dependants have been resettled in the United Kingdom. A further 100 will arrive in the coming months. We are on track to meet our target of 300 approved for admission to the United Kingdom this year under the gateway refugee resettlement programme. Given the number of Iraqis who have worked for Her Majesty's Government and the armed forces in some capacity since 2003, it is absolutely right to focus assistance on those who have had the closest and most sustained association with us. That can be done through the objective eligibility criteria that we have set, based on length of service and job profile, so we are well on the way to implementing the policy that we announced last year.

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): While the Prime Minister was correct to speak of the plans to bring home the remembrance memorial for the 178 personnel whom this country lost in Iraq—let us hope that that total is not added to over the next six months—was there not something fundamentally remiss

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about his statement? It made no reference whatever to the last memorial that we leave behind of the vast number of innocent Iraqis—men, women and children, young and old alike—who perished during all this. Most shamefully in terms of history, the Americans and ourselves did not even bother to count the tally. Will the Prime Minister acknowledge that while those people may be lost to history, they are not lost in the hearts of their families and communities, and that that bitterness and legacy of hatred will now go on for generations? Is there anything arising from today's statement that he and his American counterparts will endeavour to do to redress the grotesque oversight of no body count and no names?

The Prime Minister: I acknowledge the sufferings of the Iraqi people. It is precisely to protect and support the Iraqi people that we have been trying to provide better facilities, jobs and help in the area of Basra where we have been most active. I think the right hon. Gentleman will find that, according to opinion surveys, the Iraqi people believe that the presence of British troops has made a difference to the quality of their lives. He must not forget the violence practised against the Iraqi people by Saddam Hussein, and we must not forget that we were dealing with a dictatorship and that we now have a democracy.

Tony Lloyd (Manchester, Central) (Lab): The whole country will strongly welcome my right hon. Friend's statement, and will recognise his commitment to strengthening not just the security situation but the economic and political institutions that underlie it. However, the world has a disconcerting habit of moving on from a crisis once that crisis disappears from the headlines. My right hon. Friend's own commitment guarantees a bilateral relationship, but how can we guarantee that the rest of the world remains engaged? It is in Britain's and Iraq's vital interests that those institutions continue to be strengthened.

The Prime Minister: It is important to recognise that countries that were not part of the coalition in Iraq are now part of the engagement with Iraq that is taking place with a view to the future. I am impressed by the number of Arab countries that are now prepared to place their embassies in Baghdad, and when I was in Kuwait last night I was impressed by the co-operation that it now wants with Iraq on both economic and political matters.

My hon. Friend is right: we must not forget that Iraq has serious difficulties to overcome. It has a long and hard path to travel towards full democracy and full security for its people. It has massive oil reserves, but it has not been able to benefit from them because of the inefficiency of its oil system. Iraq has a long way to go, but it is part of our determination to work with it at an economic and cultural level in the future, and I believe that a growing number of countries share that view.

Mr. Bernard Jenkin (North Essex) (Con): Does the Prime Minister agree that for all the terrible difficulties that have been faced in Iraq—not least by our own armed forces during our time there—history is likely to judge the removal of Saddam Hussein as the right thing to do and as a success, and that our armed forces will be seen to have played a decisive role in that? Does he understand, however, the sense of unease felt by many in the armed forces and others that we are snatching defeat from the jaws of victory? If now is the right time for the British to leave, why are the Americans taking over so much of the role that we are abandoning? Is it not just the case that we have run out of military capacity and political will, and that we are, in effect, being asked to leave because we cannot effectively contribute anything further with what we have available to us?

The Prime Minister: I agree very much with the first part of the hon. Gentleman's remarks—that the removal of Saddam Hussein will be seen in history as a decisive act that made possible a democracy in Iraq—but I do not agree with his final comments, as the role that we have played in Iraq is in many cases now being taken over by the Iraqi forces and people. Whereas we used to be the organisers of any combat action in Basra, any interventions that had to be made in the town of Basra and the protection of the area, that is now being done by the Iraqi army and police. We have trained them to a point at which our commanders are satisfied that they have the ability and capacity to do that job. It is Iraqi servicemen who are doing the work previously done by British servicemen, and I would have thought that the hon. Gentleman would have applauded that.

Mr. David Winnick (Walsall, North) (Lab): Whatever the mistakes—some of them absolutely disastrous—particularly by the United States in the occupation arising from the invasion of Iraq, does my right hon. Friend not agree that the vast majority of victims referred to by the former leader of the Liberal party, the right hon. Member for Ross, Skye and Lochaber (Mr. Kennedy), died as a result of sectarian violence? That violence against totally innocent people must be recognised as a crime, but that crime was committed not by the British or Americans, but by those totally opposed to the democratic process in Iraq, and we should say so clearly and loudly.

The Prime Minister: People understand that that is the case. The internal violence in Iraq is something British and American forces have had to deal with, but I should also make the point that while Saddam Hussein was in power, violence—and in one case genocide—was practised against the Iraqi people.

Mr. Paul Keetch (Hereford) (LD): At least I agree with the Prime Minister on one thing—his tribute to our armed forces, whose valour, distinction and professionalism are unique. In return, will he agree with me on one thing: when we invaded Iraq in March 2003, she did not possess weapons of mass destruction available to be deployed against British interests in 45 minutes?

The Prime Minister: That issue has been raised over and over, and there have been a number of inquiries. I do not think that the hon. Gentleman expects me to add to that today.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Does the Prime Minister agree that one of the measures of the progress of democracy in Iraq is the fact that its own citizens, and, indeed, its journalists, can protest

against their own leaders and world leaders—as happened with President Bush—without the fear of death, while under the previous Administration of Saddam Hussein anyone who made a protest suffered torture and a violent death, as did their families?

The Prime Minister: Iraq has a free press and, as we saw yesterday, a Council of Representatives that is not predictable in everything that it does. So far as shoes are concerned, I must say that the House of Commons is often less well behaved than an Iraqi press conference.

Mr. Nicholas Soames (Mid-Sussex) (Con): I join hon. Members on both sides of the House in praising the exceptional success of British troops in Iraq. At this time of year, we should also remember their families, who have been so steadfast for so long. Will the Prime Minister reflect on the fact that British troops have through the war-fighting phase and into the peacekeeping phase exhibited a range of skills almost unmatched by any other armed forces anywhere in the world, and that those skills are sustained, at the same time as we are fighting in Afghanistan only by a considerable investment in defence training? Will the Prime Minister bear that in mind when those very great demands come to be made?

The Prime Minister: I agree about the importance of equipment, and I also agree with what the hon. Gentleman said about the families of servicemen and women. I was in Basra yesterday, where I met large numbers of people who will be spending Christmas away from their families. One of the things that they want to thank the British people for is the large number of unsolicited gifts, presents and cards that have been sent directly to the forces in Baghdad. They said to me that they have never seen such a level of support in any of the previous years they have been in Baghdad. Donations and presents to remember them at Christmas have come from a large number of people in all parts of the country.

On equipment, we have provided £4 billion for urgent operational requirements in the past few years. I have announced today new spending of £150 million to buy more than 100 new Warthog tractor all-terrain vehicles. We have always tried to respond to requests, such as for helicopters, better night equipment or better vehicles, and we will continue to do so. The hon. Gentleman has taken a huge interest in defence over many years, and I have great respect for him on those matters. I say to him that he must ask his own Conservative Front Benchers about those issues, because their decision to cut public spending from 2010 means that they cannot support the defence forces in the way in which we can.

Tom Levitt (High Peak) (Lab): May I add to the comments of my right hon. Friend the Member for Cynon Valley (Ann Clwyd)? I also welcome today's statement. While my right hon. Friend the Prime Minister rightly focused on the security situation and the economic development of Iraq, will he say a little more about the development of civil society in Iraq, and in particular about the way in which the Department for International Development, British development non-governmental organisations and possibly even British volunteers in future may help to contribute to social cohesion and an effective civil society in Iraq?

The Prime Minister: My hon. Friend has taken a long-term interest in that. DFID has worked mainly in the Basra area over the past few years. It has set up the Basra development commission and worked with a number of business men to bring jobs and industries to Basra. One very interesting project is being run on the model of the Prince's Trust in Britain, where young unemployed people are taken on through individual firms. I think that everybody welcomes that, and it could be applied to the rest of Iraq. That is why DFID's interest and the work in terms of civil society will now move from Basra to other parts of Iraq to seek to build better institutions for the future and give new hope of jobs and prosperity to people in all parts of Iraq.

Adam Price (Carmarthen, East and Dinefwr) (PC): The Prime Minister's predecessor once referred to the blood price that would be necessary as a result of the war in Iraq. Given the huge scale of the human cost—the hundreds of thousands of Iraqi, British and American lives lost—can the Prime Minister in all conscience say that that was a price worth paying?

The Prime Minister: Making decisions about war is very difficult indeed, but this House considered all the factors involved, made its decision and then implemented that decision. I can also say to the hon. Gentleman that we should be proud that 100,000 troops in all have at one time or another given service in Iraq, and they have done their duty by the country. At one point, we had 46,000 troops in Iraq; we now have 4,000, and we are now bringing the number down as we finish our mission at the end of May. I believe that we should say to our troops that we are proud of what they have done.

Mark Durkan (Foyle) (SDLP): The Prime Minister has made a number of announcements that are welcome today and that will be even more welcome when they happen. Obviously, we wish safety to those deployed in the meantime and in the future. Those of us in Northern Ireland parties have had some engagement with the budding parliamentarians of Iraq, and we wish them and their people well in the opportunities and challenges that they face, including coming to terms with the toll of their loss, not just over the past five and a half years, but before. Will the Prime Minister tell us to what extent the prospect of troop withdrawal has been ensured by regime change in America, and will he also acknowledge that many democrats in this country are still sincerely scandalised by a war that was waged on false premises, with dodgy legal advice given in this Chamber, and under false assumptions?

The Prime Minister: So that the hon. Gentleman understands the sequence of the decisions, let me remind him that last July I said, and the Defence Secretary said to the House, that we had four specific objectives that we wanted to achieve in Iraq and that once we had achieved them there would be a fundamental change of mission. These objectives included greater security by training the Iraqi forces, making the holding of local elections possible, and moves, which we are now taking and working on, to improve the economic development of Iraq, so that people have a stake in the future. It is on the basis of these objectives that we now make our decision that our mission will end by 31 May next year at the latest. I believe that we have followed through the

[The Prime Minister]

tasks that we set last July in a way that shows that there has been real progress, and that is why I hope that the hon. Gentleman agrees that the motive for today's decision is that we have completed the tasks we set.

Patrick Mercer (Newark) (Con): I am sure the Prime Minister will agree that despite the large number of American troops left in the Basra area, the withdrawal of British troops will create a power vacuum. Will he outline the contingency plans for the re-engagement of British troops? That assumes, of course, that the extra numbers relieved from there have not been sent to Afghanistan.

The Prime Minister: We have moved on from our previous operation, where we had combat troops on the ground every day in the front line in Basra and the surrounding areas. We have moved from that position of combat to one of overwatch over the past year. We have moved successfully to that position, and the number of incidents taking place in Basra has, of course, been cut very substantially since the operation that was also organised by Prime Minister al-Maliki took place in Iraq. There has been a very big reduction in violence. I am satisfied that the Iraqi troops are in a position to keep order themselves, but, of course, this is now a matter for the Iraqis. The agreement says that the relevant Iraqi Minister could come back to us to ask for further assistance, if he chooses to do so, and that is a matter for him. I hope that the hon. Gentleman will agree that whereas a year ago the situation in Basra was full of violence and incidents against British troops took place almost every day, we now have a situation where there is at least a minimum amount of security and Iraqi forces can take charge of the job themselves. That is what we hope to continue in the future.

Kerry McCarthy (Bristol, East) (Lab): I welcome today's announcement and the confirmation that we will continue to play a role in Iraqi life, particularly in economic development and promoting democracy. Will the Prime Minister assure us that the role of women in Iraqi society will be a central theme of our work there, particularly access to educational opportunities, involvement in economic life and representation in parliamentary democracy?

The Prime Minister: My hon. Friend is right to raise that question. We have continued to discuss with the Iraqis the position and representation of women in national life in Iraq. I think she will agree that the best guarantee of the future representation and freedom of women in Iraq is the strongest possible democracy in Iraq.

Robert Key (Salisbury) (Con): When Her Majesty's forces return home, will the Prime Minister ensure that each and every one of our servicemen and women is made aware of the support services available to them both when they get home and for the rest of their lives, and of the fact that they have won the right to priority treatment in the national health service? Will he ensure that the Secretary of State for Health issues a circular making it clear that it is Government policy that for the rest of their lives servicemen and women have priority?

The Prime Minister: I am glad that the hon. Gentleman has allowed me to mention the paper that was produced by the Defence Secretary on the range of services that should be available to servicemen and women and ex-servicemen and women. Those were set out in the paper that we published a few months ago. Such services include: better access to education—for example, the chance for someone to study once they have left one of the armed forces; better access to doctors and to health services, particularly for people who have to move between different areas of the country and often find themselves relegated down the list; and better help for people who have problems that have to be dealt with after a long period of service. I assure the hon. Gentleman that the Defence Secretary is putting more money into this service, and particularly so when a large number of people will be coming home, finally, from Iraq.

Mr. Andy Reed (Loughborough) (Lab/Co-op): I congratulate the Prime Minister and welcome today's statement. As he knows, I did not agree with our going to war in the first place, but I must admit that a great deal of progress has been made and that it would have been wrong to withdraw our troops in view of the initial problems. I particularly welcome the progress that has been made, but he must acknowledge that regime change was not one of the options on the table as we went to war in 2003. I agree that this is a mature time, when we must learn the lessons, and I am sure that the Prime Minister knows there is a danger of the same sort of thing happening in Afghanistan. Will he reassure me and the House that things have been carefully thought through, so that we have an exit strategy from Afghanistan and we will not be spending the next few decades trying to sort out that problem, too?

The Prime Minister: My hon. Friend has raised the question of Afghanistan, which involves one major difference: a 41-nation coalition is involved in Afghanistan and is committed to the success of Afghan democracy. We are reviewing what we can do together to make for better outcomes in Iraq. What I am certain of is that we must complement the military strategy in Afghanistan with what we can do to train up Afghan army and police forces to bring economic development to those areas that are dependent on narcotics when they could be dependent on other crops and other farming ways of life and to build up the local institutions, working with the tribes and an efficient central Government in Afghanistan. The nature of that new strategy will also have to take into account the relationship between Afghanistan and Pakistan, so that we can stop the flow of terrorists from one country to another.

Sammy Wilson (East Antrim) (DUP): I, too, pay tribute to the many who served their country in Iraq and to those who died doing so. I pay particular tribute to the hundreds from Northern Ireland who served in the Royal Irish Regiment and other regiments during the past six years. On a recent visit to Basra, I was particularly impressed by how professional, proud and passionate those who are serving there are about the role that we are playing. Much work still needs to be done to train the police, to secure the area against destabilisation by insurgents from Iran, to build the infrastructure in the poorer areas of Basra and to protect minorities, especially the Christians. Will the

Prime Minister tell us what plans have been put in place to ensure that the outstanding tasks are completed and not left undone?

The Prime Minister: I am pleased that the hon. Gentleman was able to visit our troops in Iraq, and, in particular, in the Basra area; they will be pleased to hear what he has said. He pays a particular tribute to the troops from Northern Ireland, as I do. They are very much part of the exercise in Iraq, and I met some of them yesterday. I agree with him that the social conditions in Basra have to improve, which is why, for example, we have built two water towers in the poorest areas, and why we are continuing to contribute to the building of schools and hospitals, as well as to the provision of jobs. He talks about the police forces. Yesterday, I met the policemen who have come from Britain to help train the police forces in Iraq—they are, and feel that they are, making a difference. The important message that we should send our troops in Iraq this Christmas is that they are making a difference—they are making real improvements to the lives of Iraqi citizens. Whatever differences there were over the causes and outbreak of the Iraqi war, it is important to recognise that all our troops have made a significant difference to this civilisation of Iraq.

Harry Cohen (Leyton and Wanstead) (Lab): Will the Prime Minister confirm that more Labour MPs than Liberal ones voted against the war? Given that more than 1 million Iraqis have died, that there are 4.7 million refugees, that there is mass unemployment and that their economy has been devastated and replaced by one that has been privatised and put in the control of overseas corporations, will the Prime Minister give an honest assessment of why the occupation failed to win the hearts and minds of the majority of Iraqis?

The Prime Minister: If my hon. Friend were to visit today, he would see a different picture from the one that he describes. Yesterday, I was at the port of Basra, which had been completely unable to function under Saddam Hussein—it was unable to have any trade successfully going through it and wrecks in the port made it impossible for other ships to enter. As a result of British and other action, that situation has been changed and the port is now in a position to be a thriving port for the future. People will then get jobs and that will enable them to build their livelihoods, international trade will form around Basra, and, of course, given its history of oil production—five sixths of Iraq's oil is produced in the south—Basra will be able to be a very prosperous place in the future. I do not think that anybody can tell us that the individual population of Iraq benefited from Saddam Hussein's reign.

Mr. Keith Simpson (Mid-Norfolk) (Con): The Prime Minister just alluded to the fact that the Americans, with some assistance from us, are reassessing the campaign in Afghanistan from top to bottom. I urge him to think again about initiating an inquiry into lessons from Iraq. There are obvious historical precedents—for example, the Mesopotamia inquiry in the first world war, which helped the conclusion of the campaign in 1917-18. The Americans are very open about this, so why aren't we?

The Prime Minister: I think that the hon. Gentleman is conflating Iraq and Afghanistan in a way that, on reflection, he would not wish to do. The Afghanistan war is being fought by a coalition of 41. There is a review taking place of how we can best detach the Taliban from the people of Afghanistan. That is a totally different position from where we are in Iraq, and he should recognise that. We have put more troops into Afghanistan because of the danger of the guerrilla warfare being managed by the Taliban, and we continue to look at that particular problem. Generally, our strategy in Afghanistan is to complement our military action with measures that will increase the Afghans' ability to run their own country. The review in Afghanistan is completely different from what he is talking about in Iraq.

John Barrett (Edinburgh, West) (LD): The Prime Minister has never detailed what the Government believe to be the number of civilian deaths in Iraq. Much work has been done on that, and the lower estimates are around 100,000. If the Prime Minister cannot give details today of his estimate, will he confirm that the Government will do some work on it, so that we can know the answer to the question?

The Prime Minister: It is not a matter for the British Government: it is for the Iraqi Government to examine what has happened in their country. Only they will be in the position to obtain the full information. I cannot see how from here or from just Basra the British Government could conduct such a survey. However, I acknowledge the loss of life and the suffering of the Iraqi people, and British forces are trying to improve the Iraqi people's conditions of life and standard of living.

Business of the House

12.31 pm

The Leader of the House of Commons (Ms Harriet Harman): With permission, I shall make a statement about the business for the week commencing 12 January:

MONDAY 12 JANUARY—Second Reading of the Business Rate Supplements Bill.

TUESDAY 13 JANUARY—Second Reading of the Saving Gateway Accounts Bill.

WEDNESDAY 14 JANUARY—General debate on Iraq: future strategic relationship.

THURSDAY 15 JANUARY—Topical debate: subject to be announced, followed by a general debate on armed forces personnel.

The provisional business for the week commencing 19 January will include:

MONDAY 19 JANUARY—Second Reading of the Policing and Crime Bill.

TUESDAY 20 JANUARY—Motion to approve European documents relating to a European framework for action and European economic recovery plan, followed by a motion to approve European documents relating to financial management, followed by a motion to approve European documents relating to EU-Russia Relations.

WEDNESDAY 21 JANUARY—Opposition Day [1st Allotted Day]. There will be a debate on an Opposition motion, subject to be announced.

THURSDAY 22 JANUARY—Topical debate: subject to be announced, followed by a general debate, subject to be announced.

Through you, Mr. Speaker, may I also offer my best wishes for Christmas and the new year to all hon. Members and, on behalf of all hon. Members, may I offer all our best wishes for Christmas and the new year to the Clerks of the House, the Officers of the House, the catering team, the cleaners, the police, the Doorkeepers and all who keep the House running smoothly? Everyone deserves a good Christmas.

Mrs. Theresa May (Maidenhead) (Con): I thank the Leader of the House for her statement. She is here fresh from her performance at Prime Minister's questions yesterday. As this is the season of good will, I thought that it might be helpful if I were to point out a few mistakes that she made. First, she said that the Conservative party

"opposed our action to recapitalise the banks."—[*Official Report*, 17 December 2008; Vol. 485, c. 1090.]

As my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) pointed out, that is categorically not the case.

Secondly, the Leader of the House claimed, in column 1095, that we opposed the right to request flexible working for parents with children under six, but the official record of the debates on flexible working shows that my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) said from the Front Bench:

"I would like to place on the record my support for flexible working."—[*Official Report, Employment Public Bill Committee*, 24 January 2002; c. 602.]

The right hon. and learned Lady's third error was to claim that the Conservative national loan guarantee scheme

"is not a guarantee of anything to anybody."—[*Official Report*, 17 December 2008; Vol. 485, c. 1090.]

Well, that is a different view to that taken by the Federation of Small Businesses, which said that it

"welcomes plans by the Conservative Party to guarantee billions of pounds worth of business lending through this tough credit climate."

I am sure that the Leader of the House, not wishing inadvertently to mislead anyone, will be keen to correct the *Hansard* record on these points as soon as possible.

The Leader of the House has confirmed that on 17 January there will be a general debate on armed forces personnel. Last week, when I asked why the Defence Secretary had not made an oral statement on the delay in the procurement of two aircraft carriers, the Leader of the House said:

"There will be a debate on that in the week in which we return from the recess."—[*Official Report*, 11 December 2008; Vol. 485, c. 677.]

It would normally be out of order to discuss procurement in a debate on personnel so will she now change the title of that debate to include procurement?

Yesterday, on a point of order, my hon. Friend the Member for Totnes (Mr. Steen) said he had learned that the Government were set to ratify the Council of Europe convention against human trafficking. No statement has been made to the House and he was not informed, although he is chairman of the all-party parliamentary group on trafficking. Can the Leader of the House confirm whether the convention has now been ratified and explain why that welcome news was not given in a statement to the House?

Last week, I raised the fact that the Housing Minister had cancelled provisions allowing sellers to put their homes on the market before a home information pack had been completed. Yet days after she condemned home owners for exploiting that loophole, her own Department did exactly that when advertising the ex-Home Secretary's former grace and favour home. If the Government are going to insist on measures that will do nothing to help our ailing housing market, they should at least have the decency to adhere to them themselves. May we have a debate on double standards in Government?

Finally, as this will be a difficult Christmas for many families as they tighten their purse strings, they must be galled to see the Government wasting taxpayers' money. The Department for Transport introduced an efficiency programme that was supposed to save £57 million but has cost £81million. The Ministry of Justice has spent £130 million on refurbishing an old office block, at a cost of £915 per square metre—18 times more than a standard refurbishment. I can only assume the current Lord Chancellor has been taking design advice from Lord Irvine of Lairg. Finally, we hear that the taxpayer is paying for training for the Culture Secretary to improve his public speaking, for the Home Secretary to boost her confidence and for Lord Mandelson to learn how to use a BlackBerry. I suppose that he is more used to issuing instructions than to taking them. May we have a debate on Government profligacy?

I jumped the gun somewhat last week, but as this is definitely the last business questions before Christmas, may I take this opportunity to wish you, Mr. Speaker, and all the Officers and staff of the House and all right hon. and hon. Members a very happy Christmas and new year?

Ms Harman: The right hon. Lady is right this time as this is the last business questions before Christmas, although she is still lacking somewhat in Christmas spirit. She made several points about what I said yesterday. If she wants to challenge what I say at Prime Minister's questions, she should make her party let her do them. When the Prime Minister is not available for questions, she should stand in for the Opposition, instead of being left to answer the questions on Thursday. As it is panto season, let me say that at least I got to play the principal boy yesterday. Like Cinderella, she had to sit in the shadows.

The right hon. Lady suggested that we have debates on double standards in Government and Government profligacy. They sound more like Opposition day debates than Government debates and I suggest that she choose them. She also suggested that we broaden the terms of the debate on armed services personnel. I said last time that procurement issues are vital for armed services personnel, but I will consider her request.

The right hon. Lady asked about human trafficking, and I will write to her and set out all the work that is being done across Government on that issue. What is really important is what is done in the voluntary sector, to tackle advertisements in newspapers, by the police, by the prosecution service and by the courts. A wide range of work is being done on the issue and I shall write to her with the details. I thank her for her support on that issue.

Simon Hughes (North Southwark and Bermondsey) (LD): May I start by associating myself and my colleagues with the wishes expressed through you, Mr. Deputy Speaker, to Mr. Speaker and to you and your colleagues and all the staff of the House for the coming Christmas?

On a sober note, I know that I reflect the views of the House when I say that our thoughts are not only with the families of the servicemen and women who have died in this last year. In London in particular, we have had a year when far too many young people have died from knife and gun crime or have suffered other violent deaths. Our thoughts are with their families, too. We realise that they will have a very difficult Christmas, but I hope that they will have the support of the communities in which they live and that they will continue to get that support.

I thought that the Leader of the House did rather well yesterday, and I was not going to make any rude comments about her. I will therefore associate myself with only one little request that was made by the right hon. Member for Maidenhead (Mrs. May), which is that the debate on defence in the new year should be on the wider subject of personnel and procurement. That is the only way in which to ensure that we have a debate that covers not only the commissioning of aircraft carriers and the rest, which is a matter of [illegible] interest, but the wider matters of training and [illegible] of armed forces and defence issues that will arise in the new year.

In the past six months, we have been told that 320,000 people have lost their jobs. The latest unemployment figures show that 1.86 million people are now out of work and there are further announcements to come. For example, Woolworths has announced that 26,000 people are likely to be out of work in the first part of the new year. On 3 October, the Prime Minister announced the setting up of the National Economic Council. Rather than frustrating requests and Government responses on the subject of when we are going to have debates about the economic difficulties that the nation is in, may I suggest that in the new year the Prime Minister or the Chancellor should come to the House every month to make a statement on the reports or activities of the National Economic Council and that we should have monthly debates on the state of the British economy? Sadly, the economy will be the top issue in people's concerns for the whole of next year. Will the Leader of the House reflect on a proper way of managing the reporting back of the Government's responses to the economic crisis?

I know that yesterday there was a short Adjournment debate on the Israeli settlements in Palestine, but at this time of year, above all, thoughts in this country and around the world turn to the Holy Land. Can one of the slots that are not yet filled in the first couple of weeks in the new year be given to a debate on the Government's efforts and international efforts to ensure that there is freedom of movement around Palestine for Palestinians of all faiths—Muslims, Christians and those who hold other beliefs—not just at Christmas and Eid but all year round? People in that part of the world cannot travel freely, whether they want to travel for faith or family reasons, for study or for work. Until that freedom of movement is given to people in the Holy Land, there cannot be any hope for peace and progress.

Nearer to home, the Leader of the House knows that our borough and three neighbouring boroughs are being asked to pick up the £4 million tab for the de Menezes inquest. Questions have been asked of her colleagues about that matter in the House. Can we have a debate early in the new year, before she introduces the planned police and coroners Bill, to ensure that we can sort out the issue? Inquests of London or national importance should not just be the financial responsibility of one or four local authorities and the cost should be shared much more fairly.

Lastly, let me return to an issue that I often come back to. The Leader of the House has announced three Government Bills to be debated in the first few weeks of the new year. Yesterday, in the Consolidated Fund Bill, we agreed without debate the allocation of £32 billion of additional public money for this financial year and £194 billion for the next financial year. May I suggest a new year's resolution to the Leader of the House on behalf of the Government? Can we have a year in which we see much more progress in handing power from the Government to Parliament? That would mean that Bills introduced by the Government would have adequate time for debate and amendment by colleagues from all parties on Report and that we could have a proper way of holding the Government to account not just for the taxes they raise but for the money they spend—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman has well exceeded the normal ration of time that is allocated to him at this point. I hope that he has now made his points, and the Leader of the House can answer him.

Ms Harman: The hon. Gentleman asked about the financial implications of the de Menezes inquest. When a particularly expensive inquest falls on one area, arrangements and adjustments are made. For example, extra resources were available for the coroner service in Oxfordshire because of the returning military who arrived at the airport there. Arrangements are made to adjust resources and that will have been the case in relation to the de Menezes inquest.

The hon. Gentleman followed up the point made by the shadow Leader of the House about the defence debate. As he will know, there are set piece defence debates throughout the year. One is always on personnel, one is on defence in the world and one deals with procurement. Generally speaking, without wanting to trespass on the discretion of the Chair, it is possible to raise issues that cross the boundaries in those general debates in quite a substantjal way. Procurement issues are very important to the operational ability of our armed services personnel and I am sure that hon. Members who want to raise questions of procurement will be able to do so and will get a response from the Minister in the debate when we return in January.

The hon. Gentleman mentioned the question of accountability to the House for the work of the Government in tackling the global economic crisis. There are, of course, Treasury questions and there have been numerous statements. We want to be sure that at all times the House is kept up to date with information and that there is also a chance to question Ministers. Since the economic crisis hit towards the end of this year, that has happened more regularly than just every month and we expect that to continue to be the case. The economy is a No. 1 priority for the Government and we know that it is a No. 1 priority for the House. We do not expect the House not to have the opportunity to hold the Government to account and to debate economic issues in the future.

The hon. Gentleman raised the question of the middle east. Without expecting the terms of reference of the debate to go too broadly, there will be an opportunity to raise the question of the middle east in the debate on Iraq and related strategic issues.

The hon. Gentleman also mentioned job losses and the National Economic Council. Let me take this opportunity to say that the Government have the utmost concern for those who are faced with losing their jobs at Woolworths. Every possible arrangement will be made to help them to ensure that they can get another job as quickly as possible as soon as they lose their job at Woolworths.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I should mention to the House that since Mr. Speaker placed a 15-minute time limit on speeches in the Christmas Adjournment debate, the number of hon. Members wishing to contribute has swollen considerably, so we may be struggling for time later. I hope, therefore, in a festive spirit, that it will be understood if I adopt a Scrooge-like attitude to the length of supplementary questions now.

John McDonnell (Hayes and Harlington) (Lab): In the spirit of Christmas I refer to the fact that the Secretary of State for Transport decided to defer the decision on the expansion of Heathrow until January. My right hon. and learned Friend may have seen this morning that in early-day motion 339 more than 100 Members from all parties are now calling for a vote on that matter on the Floor of the House of Commons.

[That this House notes the Government's commitment given in the 2003 Aviation White Paper, The Future of Air Transport to reduce noise impacts and to ensure that air quality and environmental standards are met before proceeding with a third runway at Heathrow Airport; further notes the assurance given by the Prime Minister on 12 November 2008 that support for a third runway at Heathrow is subject to strict environmental conditions; further notes that Heathrow Airport is already in breach of the European Air Quality Directive to be implemented by 2010; welcomes the statement by the Secretary of State for Environment, Food and Rural Affairs that these environmental commitments should be honoured; supports the Chairman of the Environment Agency's decision to oppose the third runway on environmental grounds; and calls upon the Government not to proceed with the third Heathrow runway or mixed-mode and to put the matter to a vote on the floor of the House.]

All we want for Christmas is a vote. Will she pass that on to her right hon. Friend the Secretary of State?

Ms Harman: The Secretary of State for Transport will make his decision on Heathrow known in the new year.

Alistair Burt (North-East Bedfordshire) (Con): May I draw the Leader of the House's attention to the growing number of written answers in *Hansard* that are only partially answered by the Minister, although they are accepted by the Department, with the rest of the information to be conveyed by private letter to the Member? In some cases, valuable information could be gained from those letters. Would it be possible to consider that more of them might be placed in the Library so there might be greater access to them—

Mr. Bernard Jenkin (North Essex) (Con): Or in *Hansard*.

Alistair Burt: Or they could be published in *Hansard*, rather than simply being kept private.

Ms Harman: I agree that as much as possible should be put in *Hansard*. A Minister being held to account for an answer is not a private matter: that is public information, and I shall set my deputy on to it.

Anne Moffat (East Lothian) (Lab): May I wish a merry Christmas and a good new year to all?

When we in Britain talk about every child mattering we must not forget about children abroad, especially at this time of year. I hope that my right hon. and learned Friend will forgive me for labouring the point, but I want to ask once again for a debate about the so-called "witch" children in Nigeria. They are being killed, buried alive and tortured and, if their parents cannot afford to hire someone to exorcise them, they get taken away and we do not know what happens to them. The programme "Dispatches"—

Mr. Simon Burns (West Chelmsford) (Con): Give way!

Anne Moffat: Sorry?

Mr. Burns: Give way!

Anne Moffat: Give way?

Mr. Deputy Speaker: Order. I really did not need that help, but the point is—*[Interruption.]* Order. The hon. Lady is exceeding her ration. Can she please bring her question to a swift end?

Anne Moffat: Please may we have a debate on that in the new year?

Ms Harman: I will look into the possibilities of having a debate on the important issues that my hon. Friend raises.

Philip Davies (Shipley) (Con): May we have a debate on the Equality and Human Rights Commission? A recent answer to a parliamentary question that I tabled showed that, on average, the commission pays men more than women, white people more than those from ethnic minorities, and non-disabled people more than disabled people. What on earth is the point of a politically correct organisation—it is given huge quantities of taxpayer's money to give lectures around the country on equal pay—that does not even practise what it preaches?

Ms Harman: The hon. Gentleman shows how important it is to have transparency. We must ensure that all organisations publish information about pay gaps between genders and ethnicities, and about how many disabled people they employ. That is not just important for the EHRC, because we need that transparency in the whole public sector—and in the private sector too.

Rob Marris (Wolverhampton, South-West) (Lab): We spend a lot of time in this House passing legislation to sort out previous legislation that has not worked out. Given that this will be the shortest parliamentary Session for many years—and that the Queen's Speech was also the shortest for many years—may we please have two days devoted to the Report stage of Bills more frequently?

Ms Harman: I know that there is a long-standing concern that we should have enough time to debate issues on Report. We always look to do that, and I hope that my hon. Friend will support the post-legislative scrutiny arrangements that we are introducing. They will enable us to look back and make sure that legislation does the job that we thought that it would. Also, he does not know yet that this will be the shortest Session ever, as we have not yet determined when it will end.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Will the Leader of the House consider introducing an annual debate on tourism? It is our fifth biggest industry, worth £90 billion a year and the fact that the Olympics are coming to the UK gives us a great opportunity to harness its potential, in London and elsewhere.

Ms Harman: That is something that can be debated when we consider the report of the relevant Select Committee.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Can we have a debate on double standards in public life? My right hon. and learned Friend may be aware of recent reports that senior managers in BBC Scotland shared a bonus of £100,000, while other workers lost their jobs. The trade unions wanted to know who had received the bonus, but they were refused that information on the grounds that it would cause distress to those concerned. Given that the BBC is obsessed with this House and hon. Members' expenses and salaries, does she agree that that smacks of double standards?

Ms Harman: I think that that is something for which the BBC ought to be responsible to licence payers, and perhaps the trade unions should refer their request to the relevant organisation.

Mr. David Heath (Somerton and Frome) (LD): May we have an urgent debate early in the new year on job losses in the retail sector? The Leader of the House has mentioned that already, but we already have a well-established way of at least helping to mitigate major job losses in the manufacturing sector. When a manufacturing company closes down, a taskforce involving local authorities and Jobcentre Plus, among others, will be sent in, but we do not have a similar mechanism for large retailers with small numbers of employees spread across the country. Can we see whether we can establish a mechanism that will provide similar support for people who sadly lose their jobs in the retail sector, such as has happened with the closure of Woolworths?

Ms Harman: The hon. Gentleman makes a very good proposal and it is one that we are considering. Even though the many thousands of job losses involved in the closure of Woolworths are not concentrated in one geographical area, we need something akin to the taskforce approach to make sure that the help that we bring to bear is working.

Mark Durkan (Foyle) (SDLP): The Secretary of State for Northern Ireland has issued a short written statement today to the effect that the Prime Minister has received Sir Peter Gibson's review of the intelligence material about the Omagh bombing that was available to the security and intelligence agencies. It suggests that a statement will be made to the House when the Government have completed their consideration of the review. How long will that consideration take, when will the statement be made, and will it be an oral statement with the opportunity for appropriate questions?

Ms Harman: I am making the assumption that it will be an oral statement, but I cannot give the timing. I shall ask the Secretary of State to have a word with the hon. Gentleman and give him a rough idea of when he can expect it. After Equitable Life, I am a bit reluctant to give any firm commitment from the Dispatch Box.

Mr. Philip Hollobone (Kettering) (Con): Unemployment in north Northamptonshire has risen by 50 per cent. in the past 12 months. There are now 5,300 people without work, compared with 4,000 in 1997. With unemployment set to be the dominant political issue of 2009, may we have an debate on the Floor of the House early in the new year so that we can discuss an issue that is going to affect so many millions of our citizens?

Ms Harman: We have had a statement on tackling unemployment in the past week or so, and I have no doubt that we will return to the issue in January, when we will discuss the action that the Government are taking to prevent unemployment and to help support people who lose their jobs back into work.

Tom Levitt (High Peak) (Lab): Will my right hon. and learned Friend pass on my sincere and profound thanks to the Home Secretary for her decision to look again at ways of making local policing more accountable to those being policed? Will she ensure that hon. Members have the maximum opportunity to propose and explore different models of good practice in effective and accountable community policing at street, estate and ward levels? I do not expect that process to be finished by the 19 January Second Reading of the Policing and Crime Bill, but perhaps it is not necessary to have a rigid model that is applicable all over the country.

Ms Harman: I thank my hon. Friend for his welcome for the provisions in that Bill, and it is very important that we have proper accountability to the local community at all levels of the police. I am sure that he will see something to that effect in the Bill.

Mr. Simon Burns (West Chelmsford) (Con): If the Leader of the House had been at Treasury questions, she would have heard the Economic Secretary, in front of the Prime Minister, apologise fulsomely but rather tactfully to him and to hon. Members for the Government's failure to produce a statement on Equitable Life before the House rose for the Christmas recess. The right hon. and learned Lady assured the House that we would have a statement in the autumn, but January 2009 is not the autumn. Will she therefore be kind enough to follow suit and apologise to the House for her statement?

Ms Harman: I am sorry that the statement was not available when I said that it would be, but it was not complete. My announcement to the House was contingent on the statement being finished. The point that I want to make is that it is not as though it is complete and the Government are sitting on it. As I said at the last business questions, the Treasury is dotting the i's and crossing the t's and the statement will be brought to the House as soon as it is ready. We are very well aware of the importance of this issue.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Can we have a debate early in the year entitled "The Counter-productive Nature of Government Policy"? That would enable us to point out that it is bizarre of the Government to charge banks 12 per cent. interest on the recapitalisation fund, and at the same time expect them to charge their customers only 1 or 2 per cent. Also, it is very bizarre that representatives from Jaguar Land Rover should be seeing the Secretary of State for Business, Enterprise and Regulatory Reform at a time when one of that industry's real burdens are the differential costs imposed by Government on 4x4 vehicles—one of which, incidentally, I have.

Ms Harman: The right hon. and learned Gentleman should direct his suggestion for a debate on the counter-productive nature of Government policy to his colleagues. I think that he is suggesting an Opposition day debate rather than a Government debate. He raises the point that the Leader of the Opposition raised about the 12 per cent. and the 6 per cent. The rate at which banks lend out is not just the rate at which they borrow; there is also the question of deposits. Therefore, the rate at which banks borrow and those at which they lend are never the same. So the Leader of the Opposition made a bogus argument, and it is a shame that the right hon. and learned Gentleman has repeated it.

Mr. Paul Burstow (Sutton and Cheam) (LD): May I draw the attention of the Leader of the House to early-day motion 215?

[That this House notes the findings by the Parliamentary Ombudsman of 10 counts of mal-administration by Government Departments in relation to Equitable Life; expresses concern at the Government's failure to respond to the Ombudsman's report within its own specified timescale; notes with concern that over 30,000 Equitable Life policyholders have died without seeing their situation resolved since the society's near-collapse in 2000; and calls on the Government to give a public response without delay to the Parliamentary Ombudsman's recommendations and set out a timetable for action.]

Other hon. Members have referred to that subject today.

On behalf of my constituents David Peters, Thomas Higgs, Kathleen Davies, Janice King, Vivien Knell and 30 others who have been in touch with me in the past few years, may I ask the Leader of the House when we can expect the statement and, more importantly for my constituents and thousands of others around the country, when they can expect the compensation that is long overdue?

Ms Harman: An oral statement will be made as soon as the Equitable Life statement is ready.

Dr. Andrew Murrison (Westbury) (Con): The Leader of the House will be keen to ensure that our debates in this place are as well informed as possible. She will therefore be alarmed to find that the Ministry of Defence is increasingly reluctant to sponsor visits to Iraq and Afghanistan. For example, my planned visit this Christmas has been turned down. Will she impress on her defence colleagues the importance of such visits in informing right hon. and hon. Members of what is going on in theatre and ensure that, unless there is good reason for visits not to take place, they do occur so that we can better conduct the business of the House?

Ms Harman: These visits are important, as is the armed forces parliamentary scheme, and I will raise the hon. Gentleman's point with my right hon. Friend the Secretary of State for Defence.

Mr. Julian Brazier (Canterbury) (Con): The Leader of the House kindly last week promised to chase up her colleagues on the mounting confusion over the rerating of businesses in ports. Since then, we had a large meeting of Members of Parliament, many of them her colleagues, downstairs on Monday. We have also had the comments made by the right hon. Member for Liverpool, Wavertree (Jane Kennedy) that when she was the Treasury Minister responsible for the Valuation Office Agency, it did not tell her about this developing muddle. Businesses are on the verge of going to the wall. Please will the Leader of the House chase this one up?

Ms Harman: I will. I do not think it is a muddle; it is a complex situation that needs to be sorted out.

Mr. Bernard Jenkin (North Essex) (Con): Will the Leader of the House give the House a categorical assurance that neither she nor any Minister, civil servant or adviser sought to influence the contents of Mr. Speaker's statement that was delivered on the day of the state opening?

Ms Harman: I can give the hon. Gentleman an absolute categorical assurance that I made no attempt to influence the Speaker's statement. I think that, had I done so, I would have got a quick, dusty answer.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Following on from the Prime Minister's statement on Iraq, hon. Members will be aware from their constituencies that, due to improved medical services at the front line, armed forces personnel are returning from Iraq with serious injuries that might have caused their death in previous conflicts. Some of the people returning are suffering from mental illnesses that might stay with them for the rest of their life.

The public support these people very generously through charities such as the Soldiers, Sailors, Airmen and Families Association and Combat Stress. The Leader of the House said that she would extend the terms of the debate on military personnel to include procurement and middle east relationships.

Mr. Deputy Speaker: Order. May we have a question?

Mr. Williams: I hope that the debate will not rule out support for veterans. If it does, may we have a debate later so that we can concentrate on that issue?

Ms Harman: The important issue of supporting those who return with injuries will be four-square within the terms of the debate on Thursday 15 January on armed forces personnel.

Tim Loughton (East Worthing and Shoreham) (Con): May we have an urgent debate on child protection and the future of the social work profession, perhaps on one of the allocated topical debate days? It is now more than five weeks since the baby P court case. Numerous reviews have been ordered and statements made, mostly outside the House, and the issue remains in the headlines and is of great concern to many of our constituents. May we please have the opportunity to air the subject fully to gauge the Government's latest thinking? There is great distress and confusion in local authorities, not least among social workers. They feel put upon and demoralised, and we need to give them some words of encouragement about the way forward as well as about the future of vulnerable children, of whom there are still too many.

Ms Harman: I understand the sentiment behind the hon. Gentleman's question. Hon. Members of all parties are concerned about child protection. My right hon. Friend the Secretary of State for Children, Schools and Families made a statement to the House, in which he said that he had set up the Laming review. No doubt when he has received that review and been able to respond to it, there will be a further statement. I am sure that the issues will continue to be discussed in the House next year.

Mr. Deputy Speaker: I am grateful to hon. Members and the Leader of the House for the speed with which we have been able to dispatch that business.

BILL PRESENTED

Policing and Crime Bill

Presentation and First Reading (Standing Order No. 57)

Secretary Jacqui Smith, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Mr. Secretary Straw, Mr. Secretary Johnson, Mr Secretary Hoon, Mr. Secretary Balls, Mr. Secretary Burnham, Mr. Jim Fitzpatrick and Mr. Vernon Coaker presented a Bill to make provision about the police; to make provision about prostitution, sex offenders, sex establishments and certain other premises; to make provision for reducing and dealing with the abuse of alcohol; to make provision about the proceeds of crime; to make provision about extradition; to amend the Aviation Security Act 1982; to make provision about criminal records and to amend the Safeguarding Vulnerable Groups Act 2006; to confer, extend or facilitate search, forfeiture and other powers relating to the United Kingdom's borders or elsewhere; to make further provision for combating crime and disorder; to repeal redundant provisions; and for connected purposes.

Bill read the First time; to be read a Second time on Monday 12 January, and to be printed (Bill 7) with explanatory notes (Bill 7-EN).

Christmas Adjournment

Motion made, and Question proposed, That this House do now adjourn.—(*Chris Mole.*)

1.5 pm

Meg Munn (Sheffield, Heeley) (Lab/Co-op): I am delighted to take this opportunity to speak in the recess Adjournment debate. I intend to deal with the issue that was just raised by the hon. Member for East Worthing and Shoreham (Tim Loughton), who speaks for the Opposition on children's issues, but is no longer in his place. I want to talk about child protection, the tragic death of baby P and other child abuse cases. How could this have possibly happened?

Today I do not want to concentrate on individual cases but to talk more generally about the issues and concerns. The hon. Member for East Worthing and Shoreham was right to say that the issue goes very wide and is enormously important. There are a great many aspects to the issue and I am sure that in the time available I will not be able to do justice to all of them, but I want to take this opportunity to debate some of the complexities in more detail.

Before I was elected to this place, I was employed in social work for almost 20 years and spent a great deal of that time on child protection, ending up as the assistant director of children's services in York. We must all be concerned that previous reviews of child protection failures have identified the same or similar mistakes on the part of the professionals involved, whether social workers, health workers, teachers or police officers. We have to ask why the lessons that were identified so many times have not become part of the standard operating procedure in child protection cases.

We also need to understand in much more detail the pressures that make it difficult for even the best and highly competent social workers to operate effectively. What do we ask when we look at child protection? What decisions do we ask front-line workers from across agencies to make?

We know that children thrive best when all their needs are met, whether emotional or physical, so removing a child temporarily or permanently from their birth family is an extremely serious step. It brings into question the fundamental rights of families to enjoy family life as they choose. It also has a drastic effect on the child's emotional well-being.

Research into adoption tells us that all adopted children and, indeed, adults have to address for themselves why they were adopted. Even those who were given up freely by their birth parents can suffer feelings of rejection and damaged self-esteem. Those children who are removed from their parents, go through the care system and are placed with permanent adoptive families often have significant problems. Social workers thus have to assess the risk to children—the risk of significant harm if the child stays with its own family, but also the risks of removal and placement with another family.

Of course we see children who are removed from home for a short while and placed with foster parents while social workers work to improve the abilities of the family to care for the child. They may look at the fundamental issues of how they care for the child—parenting skills—but they may also address the drug and alcohol dependency issues which, if they were not there, would mean that the parents could care for their own child or children. There may be a trialled return home, which we hope succeeds. If it does not, there may be a further period in care and the child may ultimately be placed for adoption. Throughout the process, extremely difficult questions are involved in weighing up whether it is better to get the child back home with its family or to find it an alternative family for life. There are emotional implications for children and their security, but when a child's birth family has complex problems there are no easy answers.

What is good enough parenting? When is it right to take the drastic step of finding an alternative family for a child? In cases such as that of baby P where there is horrendous abuse, we quickly come to the judgment that the point has long since been passed when that decision should have been made. In many situations, however, the decision is not easy.

For social workers, the burden is not just that they are in a situation where they have to try to make the best decision about a child's future; our social services are overworked and poorly resourced, which makes things more difficult. A problem may not be identified because the social worker has too many cases and does not have time to assess the situation properly, so mistakes are made. I have been looking at some of the social work blogs, which are a way of finding out what people are thinking that was not possible a few years ago. Social workers say that they go to bed worrying about the children they are responsible for, because they do not have time to do all the tasks they should undertake. I remember that feeling well.

With some families, social workers are taking significant personal risks. I remember social workers visiting a house and finding firearms. It is not unusual for social workers to be threatened, but even in those circumstances they have to continue to try to focus on the child and make the best decision. They may come across new challenges that were not so prevalent when they trained. When I started in social work, drug abuse was uncommon, but now it is a regular feature of the difficulties families face.

Is it possible to prevent child deaths? Yes, but not all of them. There will always be cases that could not have been foreseen. We must recognise the element of risk, which inevitably means that sometimes things will go wrong despite the best efforts of all concerned.

Philip Davies (Shipley) (Con): Does the hon. Lady agree that a key way of ensuring that problems do not happen again, whether they relate to social services or even the probation service, is to make public the internal inquiries that take place after something has gone horribly wrong? People could then see what went wrong and what is being put in place to ensure that it does not happen again.

Meg Munn: As the hon. Gentleman knows, that is a difficult question because there are confidentiality issues for particular families. It is enormously important that such reviews are carried out properly and in a way that makes the circumstances public, but they must not become witch hunts for particular social workers. Furthermore, people must be able to learn from them and I have some suggestions about how we can do that better.

Over the years there has been much structural change in child protection and a new approach to the needs of children through the Every Child Matters agenda, which focuses on organisations involved in providing services to children, sharing information and working together to protect children and young people from harm and to help them achieve what they want in life. Some of those changes have been profoundly helpful—for instance, by bringing the different professionals involved together more often and emphasising the need to share information. I was pleased that the Government recently announced a co-location fund to bring health, education and children's services together under one roof to facilitate those processes. From my experience, I know that when people get to know other professionals well and develop a daily working relationship with them, they are much more likely to be effective and to share information and achieve what they are trying to do.

Of course, at the heart of the matter is a fundamental issue about knowledge and skills. There has been insufficient rigour in ensuring that all professionals involved in child protection learn the lessons from case reviews and inquiries. Case reviews are vital for all involved in child protection—everyone can learn more from studying past mistakes—but we also need robust and thorough inspection systems, both internal and external, to ensure that child care staff understand the risks and what is required to address them.

We must demand higher and more rigorous standards of training, better continuous professional development and proper training for those who manage the child protection system. Compared with other professionals, such as doctors, teachers or nurses, social workers are few in number and their profession has not been given the same kind of attention as others. For years, the career structure has been debated to address how those with most experience can remain in front-line work. Some local authorities have done that more successfully than others, but too often the most experienced people are in management positions and not necessarily on the front line, where the skill, knowledge and experience needed to deal with difficult situations are sorely required. I therefore welcome the establishment by the Government of the social work taskforce. It will begin work in the new year and will address those and other issues.

All front-line staff need managers who understand what is required, who check their work regularly and ensure that the right information is collected and that thorough assessments are made. We must not forget that such work puts a strain on the well-being of social work staff so we need to ensure that it does not overwhelm otherwise competent, dedicated and skilled staff. Day in, day out, dealing with difficult families and difficult circumstances is very demanding. Social workers rarely receive recognition when things go right, and the negative press about tragic cases has an impact on their morale and, ultimately, on people's desire to do that difficult and demanding work. We need to ensure that social workers are properly supported in their tasks and also properly remunerated.

I shall touch briefly on paperwork, because there is a tendency to view the recording of information as bureaucratic and unnecessary. This is where I feel that the hon. Member for Surrey Heath (Michael Gove), who speaks for the Opposition on these matters, has got it wrong. I do not in any way feel that his intentions are bad—I too believe that we need to be vigilant about unnecessary bureaucracy—but accurate recording and robust management information are at the core of child protection. Indicators of likely future harm are best identified from past behaviour, so co-ordinating information and accurately recording visits and contacts, with proper analysis, are crucial. Supervision notes must be kept so that it is clear that social workers are receiving appropriate advice, and decisions must be recorded on files. That is essential for good practice and ensures that children have continuity of protection even in the absence of their allocated social worker or in the event that they move to a different authority. Many such families move around regularly and one of the danger points in child protection is when they move from one authority, which may have been working extremely hard with them, to another, which may not pick up the significance of various issues in the family.

I have concentrated primarily on the role of social workers, but other professionals have a vital role to play and must be involved. Working together across professions to monitor children, using all the information about health, child development and education, is essential.

I turn briefly to the prosecution of those who have harmed children. As we can see from the baby P case, we have moved forward. We saw the benefit of legislation that came in only a few years ago to ensure that everyone in a household could be held responsible for the death of a child even if it was impossible to identify who exactly had killed the child. However, I am concerned about the length of time that such cases take. It is obviously essential that nothing impedes legal processes and the conduct of a fair trial, but what about the children?

The serious case review on baby P was produced 15 months after he was killed, at the end of the court case, so for 15 months issues in Haringey were not fully addressed. I urge the Government to consider how more speedy reviews can be undertaken and how action can be taken to address failings and improve services, without the need to wait until the end of a court case. If we do not do that, we are failing children.

A number of people have called for a public inquiry into the case of baby P. Public inquiries are long, complicated and expensive. I believe it is unlikely that such an inquiry would uncover new lessons to learn, beyond those that previous inquiries have discovered or beyond that which the serious case review will uncover. So what would be the purpose of such a public inquiry at this point? The priority, in my view, needs to be to ensure that all those who work with children are properly trained and put that learning into practice.

The Government have taken a number of steps to address child protection concerns, some of which I have already referred to. The management of children's services has rightly been raised. The Government propose that children's services directors should have both education and social work experience. I am concerned about how that will be achieved. Although experience of child protection matters can be gained by staff whose previous career was in education, I am not sure whether the depth of knowledge required can be achieved easily. The Government should consider making each local authority have a senior manager with the required experience designated as having overall responsibility for child protection issues. That may be the director, if

[Meg Munn]

suitably qualified, but if the director has not got that depth of experience, it should be a second-tier manager.

The Department for Children, Schools and Families must ensure that it properly collates the lessons from all serious case reviews. My response to the hon. Member for Shipley (Philip Davies) is that bringing together information from reviews across the country is enormously important; in that way, we identify trends and understand the issues faced by social workers.

Today, I received an answer to a parliamentary question about the number of children who have been the subject of serious case reviews who have died from ingesting methadone. I have had that concern for a number of years, having quite by chance discovered other local authorities, as well as the one in which I was working at the time, where that had happened. The Department does not know the answer. That is not good enough; it needs to collate the information to look at issues that are perhaps not being identified, so that social workers can do their jobs and policy and practice can respond. In addition, I believe it is fundamental that the Government ensure that research on good practice is disseminated, as well as that on failings, so that staff can learn from what works, as well as from what goes wrong.

When child protection goes wrong, it can all too readily result in tragedy. The resulting press storm can leave onlookers with the impression that the whole child protection system is failing, which is not so. For the most part, children are protected and helped to have better lives.

1.23 pm

Mr. Paul Burstow (Sutton and Cheam) (LD): First, I wish you, Mr. Deputy Speaker, and other hon. Members the compliments of the season, but I fear that some of my remarks will not necessarily be fully within the compliments of good will to all men. [Hon. Members: "And women."] Indeed. I have started badly already.

There are many reasons why I do not believe that the House should adjourn now. There are issues that we need to debate, and we need to be debating them now. There are also issues that mean that the House should not adjourn for as long as it plans to adjourn. Like many hon. Members on both sides of the House, I find it very hard to understand why the Government thought it necessary and sensible to extend the Christmas recess by a week. With many of our constituents facing the prospect of being without a job in 2009, it seems rather disrespectful of them for us not to be in the House doing our jobs.

David Howarth (Cambridge) (LD): May I draw my hon. Friend's attention to another, rather more immediate possibility? During the next three or four weeks, another bank might go down and the Government might want to intervene by making proposals to spend yet another £20 billion. Is it really compatible with our constitutional traditions that the Government could do that without the House's permission to spend that money?

Mr. Burstow: Over the years, the House has undoubtedly ceded to the Government more and more of its former control over supply. As a consequence, there probably would be no need to recall Parliament, although it certainly should be recalled in such circumstances, as my hon. Friend rightly says. In fact, I want to come on to the economic situation.

This Christmas, many of my constituents are facing an uncertain future. They fear for their livelihoods. Their homes and savings are threatened by circumstances beyond their control. I say that there is fear, but there is also frustration, because my constituents do not feel that the Government have the same sense of urgency in helping struggling families and small businesses to weather the economic storm as they did when they bailed out the banks. Action is required at every level to help our country through the downturn.

I am pleased to say that my local council was one of the first in the country to put together a comprehensive package of proposals to tackle the effects of the economic downturn locally, using the levers and networks at its disposal. That plan has already begun to deliver some results. I want to share some of those initiatives with hon. Members, because I hope that local authorities throughout the country will take them up in the coming weeks and months.

One of the initiatives is to improve the cash flow of small businesses. More than 200 small businesses supply my local authority, Sutton council, which is cutting the time that it takes to pay its bills from 30 days to just 10. The feedback from business so far shows that many firms are complimenting Sutton council on being such a prompt payer by comparison with other local authorities. I hope that other local authorities will take a leaf out of the Government's book in cutting the time taken to pay bills, and out of the London borough of Sutton's. Business costs are also being cut by the council, by boosting the numbers taking up small business rate relief. I was very impressed by the fact that Sutton's efforts since late November have resulted in local companies saving £118,000—a crucial lifeline for hard-pressed businesses.

Crucially at this time, we must ensure that those who are most at risk in the financial turmoil are claiming the benefits that they need to carry on. I am thinking in particular of the forgotten victims of the economic downturn: our senior citizens. Nationally, £1.8 billion of council tax benefit goes unclaimed every year, and pensioners in particular are missing out on £5 billion-worth of unpaid benefits. Those people already tend to be the poorest in our communities, and their situation is made far worse because they are unaware of what they are entitled to. Sutton council is working closely with the Pension Service, Sutton citizens advice bureau and Sutton borough Age Concern to promote and maximise benefit take-up, so that they ensure that pensioners and others are receiving the necessary help with their living costs.

Pensioners often face much higher rates of inflation than the retail prices index suggests. Indeed, independent research has shown that seniors face an inflation rate of about 9 per cent., which is almost double the national average, and it is hardly surprising that pensioner poverty and pensioner indebtedness are serious and growing issues, compounded by the fact that pensions are not linked to earnings.

Just one fifth of average earnings is the value of the UK pension, which makes it one of the lowest in the world and in western Europe. I shall cite a few countries as examples. It is lower than that of Hungary, Portugal and the Czech Republic, all of which are some 30 places

below Britain in gross domestic product rankings. That is why my colleagues and I certainly argue very strongly that the earnings link should be reinstated now and why we believe that the basic state pension should be increased substantially.

The Pensions Act 2008 aims to encourage private savings and to help those not in workplace schemes, but until the link to earnings is reintroduced, the foundation on which older people base their finances will be continuously eroded. A practical sign of the Government's commitment to encourage private savings would be to put in place the long-overdue compensation scheme in respect of Equitable Life victims.

Although the credit crunch and economic downturn are undoubtedly defining issues of 2008 and will continue to dominate in 2009, other serious issues demand our attention, and one of them has been addressed already by the hon. Member for Sheffield, Heeley (Meg Munn) in a very good and thoughtful contribution about child protection. Undoubtedly, the tragic case of baby P has shocked the nation, yet there is a terrible familiarity about his dreadful death. It would have had strong echoes of the Victoria Climbié case even had it not occurred in Haringey. The majority of children who die from abuse or neglect in this country know the perpetrator; most abuse takes place within the family, or is done by friends. As a society, we are in denial about that hard truth.

"There is a terrible sense of deja vu in the Laming report. The same weaknesses have led to the same mistakes, with the same missed opportunities to save a tortured child's life."

I first said that in 2003, when I was the Liberal Democrat spokesman on child protection in this House, and I repeat it now. I have a deep sense of frustration about the fact that, fundamentally, nothing has changed with regard to the problems identified in the Laming report.

Many initiatives have been taken; Every Child Matters is not just a phrase, but a series of actions that the Government have taken. However, there are still too many social work vacancies plugged by agency staff. There are still failures of oversight and accountability. There are still fragile systems of communication and collaboration between agencies. We saw a wave of resignations in the aftermath of the baby P case, and the almost ritualistic condemnation of social workers. That condemnation in turn deters people from applying to become social workers, which creates a vicious circle.

Much of the blame for baby P's death has been placed at the door of Haringey social services, despite the fact that the police and medical professionals also saw him during his short life. Those other professionals all too often find themselves able to hide behind social workers, who bear the brunt and take the flak; as a result, they avoid their share of responsibility for what happened.

Baby P was admitted to hospital twice. He was seen by a GP and he was taken to a child development clinic. During that time, his mother was arrested twice. The Crown Prosecution Service considered the case but decided not to prosecute. It took that decision just a day before he died. I agree entirely with the hon. Member for Sheffield, Heeley that we need to speed up serious case reviews and make sure that the Department that takes overall responsibility for those reviews, on behalf of us all, is much smarter in analysing the lessons from reports and translating those lessons into changes in practice on the ground.

I nevertheless support my hon. Friend the Member for Hornsey and Wood Green (Lynne Featherstone) in her call for a public inquiry, if only because it is essential that we look at what lessons were not learned from the Laming inquiry and take the necessary steps to ensure that they are learned.

Meg Munn: Does not the hon. Gentleman believe that a properly conducted serious case review should be able to identify the lessons that were not learned? The inquiry on the Victoria Climbié case and the lessons from it should now be part of practice.

Mr. Burstow: Yes, but that is not what has happened, and that is why we seem to be in a never-ending cycle of child deaths from abuse. That is why there is still a case for an independent review. It is not just the national health service, the police, social workers and Haringey council that are culpable. The Government and inspectorates also have questions to answer. Why was no action taken in February 2007, when the Department of Health was warned by a former Haringey social worker of the failings in child protection there? Just what did Ofsted do when it took over responsibility? After all, we are talking about Haringey, the epicentre of the last tragic death that convulsed the child protection system.

Ofsted's assessment method has been found wanting. The drive towards light-touch inspection regimes places lives at risk by obscuring the human reality of the chaotic lives with which social workers have to contend. That is hidden behind a spreadsheet of cold statistics. I read the transcript of the Children, Schools and Families Committee's inquiry and looked into the discussions with Ofsted's chief inspector of schools, and I was struck by how much reliance is still placed on data.

The baby P case has yet again exposed a fundamental question: how do we spot and protect those at risk in our communities? What shocks us all about the abuse that baby P suffered is that when we look at the information that becomes available afterwards, we see that such tragedies are preventable. Even so, they happen time and again—and not just to children; they happen to people of all ages. The reality is that abuse is a concern not just for children, but for older people. Often, they are even more out of sight and out of mind. The numbers are appalling: every year 342,000 older people suffer unspeakable cruelty in this country. Most often it is physical, psychological, sexual or even financial, and it is perpetrated by those closest to the victim.

Shockingly, 64 per cent. of elder abuse takes place within the family home. One individual who suffered unimaginable cruelty was Margaret Panting, who died in 2001 with 49 injuries to her body, and who was living with relatives in Sheffield. No one was prosecuted for those actions. Despite calls for new laws to protect people like Margaret Panting, nothing has happened. There is a bias towards children and victims of domestic violence in our safeguarding systems. Parliament has rightly legislated to tackle child abuse and domestic violence, but Governments have not followed the logic of that and legislated to protect adults who, through circumstance, become vulnerable. That lopsidedness in the system is graphically revealed in the staffing ratios

[Mr. Burstow]

for child and adult safeguarding. For example, in one primary care trust there are 10 members of staff covering child protection for every one responsible for adult protection. That may be a stark example, but I fear that it is far too typical. Legislation is essential to ensure that all the agencies involved in safeguarding adults really collaborate.

If the tragic death of baby P could happen when social workers had a right of entry to his mother's home, what horrors are being perpetrated by adults on other adults when professionals can still be turned away on the doorstep by a person's supposed carer? We have to worry about that. I am not suggesting that legislation is a panacea that will instantly correct such terrible wrongs in our society. Humans will always err, and mistakes will happen, but we must ensure that our systems are as robust and resilient as possible, and are subject to rigorous testing.

Just as I fear that Ofsted's drive towards light-touch inspection needs to be rethought, so too does the light-touch approach of the Commission for Social Care Inspection and its successor, the care quality commission. The laws on domestic violence brought about a shift in public attitudes on that issue; in the same way, it is time to give vulnerable adults and older people—a group to which we all hope to belong one day—the protection that they so rightly deserve.

Another group that finds itself powerless and forgotten is those who come to this country seeking refuge from the conflict and unrest in some of our world's most troubled places. In particular, I want to highlight the situation in which some of my constituents have found themselves; I am sure that the situation is replicated across the country. Mandy Dube is from Zimbabwe, and has been living in the UK for the past 12 years. She applied for asylum in 2006 and she is, like thousands of others, still waiting for the outcome of that application. Yet in the meantime the Government have told Mandy that she is not entitled to work, and she is therefore left in limbo, waiting indefinitely, unable to earn the money that she needs to maintain a minimum standard of living.

Similarly, another constituent, Pathmarajat Rajanaygam, a Tamil from Sri Lanka, has been suspended from his supermarket job because of a delay in determining his application. He is eligible to work under the terms of his leave to remain, but because he does not have the specific document that indicates that fact, his employers have suspended him pending the update in his status. In both cases, the UK Border Agency has left my constituents in legal and employment limbo. That may leave them destitute, and with little option other than to enter the black economy, where they risk being exploited.

My Tamil constituents as a whole have a broader complaint to make to the Government. They strongly feel that not enough is being done, or has been done, to force the Singhalese Government to end the murder of innocent people, respect human rights and secure a peaceful settlement in that war-torn, troubled country. We in this country have a special responsibility, given our past colonial involvement in Sri Lanka, to seek a fair and just end to the conflict.

I want to end my contribution by paying tribute to just some of the people in my constituency who make a difference to the lives of others. Clearly, time does not permit me to name everyone whom I should like to name, but in light of the comments that I have made about refugees and those seeking leave to remain in this country, I want to pay tribute to the work of Refugee Network Sutton. Its small group of volunteers work unstintingly to help people, not only when they first arrive in the area—they give them essentials such as groceries, cleaning material and bedding—but afterwards. They give people ongoing support with their integration into the community. English classes, drop-in centres, and Christmas and Eid parties are just some of the ways in which that dedicated Sutton-based group is transforming lives. I applaud what it does.

I must also mention a few individuals. First, Marilyn Gordon-Jones, whom I nominated as a volunteer hero this summer and who came to the House to be recognised as such, has for many years given dedicated service at the Sutton Lodge day centre, Age Concern and Sutton Nursing. Her faithful commitment to and affection for those with whom she works rightly deserve our applause. Secondly, Shaun Whitehead commands the air cadets in my constituency. His huge personal commitment to the squadron is extraordinary. Young people so often get a bad press these days; it is great to see a youth leader with so much passion and commitment and young people who clearly get so much out of what he is doing.

Thirdly, I want to acknowledge the tireless work of Heather Shaw, who took on the chairmanship of Sutton neighbourhood watch two years ago in difficult times. Her energy and enthusiasm have opened doors and the organisation's fortunes have turned around as a result. Finally, I should like to mention Melodie Shelbourne, who sadly died in January this year. She was the chief officer of Volunteer Action Sutton. She was a fantastic leader and motivator in the voluntary sector and she touched and changed the lives of many in my area. Everyone who knew her was the better for it, and she is sadly missed.

Those are just a few of the people whom I have had the privilege of knowing and meeting in the past 12 months and for many years before that—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order.

Mr. Burstow: I wish everyone a happy Christmas.

Mr. Deputy Speaker: Order. Every speech can be extended by such Christmas greetings, although we do appreciate them.

1.41 pm

Mr. Mike Hall (Weaver Vale) (Lab): I start on a point that I have raised in previous Adjournment debates; it was also raised by my hon. Friend the Member for Bolton, North-East (Mr. Crausby) at Prime Minister's questions yesterday. The point relates to United Utilities, which has changed how it bills for surface water drainage and highway drainage. Previously, the billing was done on the basis of rateable values, but the company has now brought in a fixed price based on the size of the curtilage of the property or domestic dwelling. That has had the sad and difficult unintended consequence of increasing bills for places of worship, scouting organisations, hospices and other charities, which previously enjoyed a zero rating for the purposes of paying rates. Now they have been brought into the new charging system and

will see huge increases in what they have to pay for drainage in the next three years. I have raised the issue with United Utilities on a number of occasions, and its representatives always tell me two things: that the new system is revenue-neutral for the company, and that Ofwat has demanded that it should treat each of its customers in the same way and bill them fairly for the services that they receive.

That is all well and good, but it does not take into account the contribution that places of worship, scouting organisations and hospices make to the communities that they serve. Every penny that such organisations have to spend on additional water rates—to the profit of United Utilities—is a penny less for the services that they provide. United Utilities has said that the new billing system was demanded by Ofwat and was a requirement of the Government, so for some time I have been seeking a meeting with the Minister responsible. Due to the Government reshuffle, that meeting has not taken place.

Keith Vaz (Leicester, East) (Lab): Name him!

Mr. Hall: It might be a "her".

Keith Vaz: Name her!

Mr. Hall: I am not going to. I am going to ask the Deputy Leader of the House whether he will use his good offices to do two things. The first is to ensure that the meeting takes place in the new year. The matter has been raised on both sides of the House and in various different places, and we need that meeting to take place. I also ask my hon. Friend to make sure that the Government take an inter-departmental look at the problem to see what we can do to bring relief for places of worship, scouting organisations, hospices and other organisations that have been caught by the change in policy. It would also be helpful if United Utilities produced figures that demonstrated beyond any doubt that the policy is revenue-neutral. You will not be surprised, Mr. Deputy Speaker, to hear that I have been visited by lots of organisations that are paying more, but by no one who is paying less.

That leads me to my next concern. It is a sad shame that the former Member for Crewe and Nantwich, my good and honourable friend the late Gwyneth Dunwoody, cannot be here, because she would be about to see me eat humble pie. Some time ago, we had an exchange in an Adjournment debate about whether there should be unitary local government in Cheshire. Gwyneth made a powerful—and, I thought, misguided—speech about why she opposed it, and I spent some of my time telling her why I thought that she was wrong. It may turn out that Gwyneth was far more right than me, and I shall explain why as briefly as possible.

One of the first things that the new Cheshire West and Chester shadow unitary authority did was advertise for a new chief executive with a salary of £173,000—as close as it is possible to get to the Prime Minister's salary, although the two jobs are significantly different. I have a local government background and do not object to local government officials being paid the rate for the job; I just do not think that £173,000 is such a rate—it is far too much.

The next decision taken by the shadow authority concerned special responsibility payments. In local government, the tradition is that if a person is entitled to more than one such payment, they take the highest but do not take the second or third. The shadow authority decided that people can take as many responsibility payments as they have been awarded, which is wrong. When I was the leader of a local council, there were no special responsibility payments, although that is not the issue as I do not disagree with the system. However, when council tax payers' money is spent, it should be spent fairly and properly.

I was also very much in favour of unitary local government, because I thought that it would bring service delivery closer to communities and improve services, but I have been proved wrong again. From 1 April, we will have a two-tier refuse collection service in the new unitary authority. The rubbish bins of the residents of Chester will be emptied once a week, and those of the residents of Vale Royal will be emptied once a fortnight. When I first asked the chief executive what the unit cost per household would be in 2009-10, he said that he could not tell me until September 2010. That, of course, was nonsense. He has now given me some indicative figures, which show that fortnightly household refuse collection in Vale Royal will cost £46.37; the weekly collection in Chester, however, will cost the princely sum of £46.48. For 9p extra, the residents of Chester will have their bins emptied once a week, while bins in Vale Royal will be emptied once a fortnight. I am not sure whether those figures compare apples with apples—the figures given by the chief executive may not compare like with like—but if the difference is only 9p, I do not see why, in a unitary council that starts on 1 April 2009, there should be a two-tier refuse collection. Refuse collection is one of the services for which householders pay their council tax. If it is right for there to be weekly collection in one part of the new authority, it should be right in another.

I am also very concerned that the shadow unitary authority has decided to reduce the number of programme area boards from eight to five; the whole purpose of bringing democracy closer to people was that there would be those area boards. The three towns in Vale Royal—Frodsham, Northwich and Winsford—are being put into rural area boards; when they should have boards of their own, so that they can be involved in the decision-making process. That was in the "People and Places" consultation document that we took forward during the debate on the unitary authority, and that is what I would expect the authority to implement.

I move on to incineration, another controversial issue in my constituency. My constituency has three proposals for waste incinerators; none of them is in my constituency, but three are on its borders. One at Weston Point has already been approved. It is in the constituency of my hon. Friend the Member for Halton (Derek Twigg). It was wrongly approved; it should have gone to a public inquiry, but it did not. It has now been decided that it will go ahead. Another incinerator is proposed for Ince Marshes, in the constituency of my hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller); it went to a public inquiry and a decision is awaited. There were very strong grounds for that application to be refused, as it is not in the Cheshire waste management plant, but on a greenfield site designated specifically for the expansion of the petrochemical industry. It is the wrong location, and we await the result.

[Mr. Mike Hall]

The third proposal is for an incinerator in Lostock, in the constituency of the hon. Member for Tatton (Mr. Osborne); it is on the boundary with Northwich, which is in the southern part of my constituency. I have contacted Cheshire county council about its proposals, but it is not prepared to give me information of any substance on the basis that it is in negotiations with four preferred bidders about its waste strategy for the next 25 years. The discussions are taking place in secret, and the council does not want to inform me about what is going on. I have been in touch with one of the preferred bidders, the Waste Recycling Group, which brought forward the proposal for the incinerator at Lostock. It has confirmed that waste incineration is an integral part of its plan and that Cheshire county council has said that it wants a self-sufficient approach to the disposal of its waste.

If Weston Point incinerator is built by INEOS Chlor, it will take all the waste from Merseyside, Greater Manchester and Cheshire. There is no economic case for a second or third incinerator on the periphery of my constituency. I am concerned that Cheshire county council has not yet grasped that point, and that it is still proposing to go ahead with a policy of waste incineration and will announce the two preferred bidders in February. It will then be for the new unitary authority, with Cheshire East unitary authority, to decide how to proceed. I am strongly of the opinion that the proposed incinerator at Lostock is totally unnecessary and economically unviable, and that if it were to be built it would have to import waste from elsewhere, which would break the Stockholm convention and pose a threat to public health in the area. I wanted to put my thoughts about that on the record.

I want to move on to an issue that has been a great cause of concern to me—the outbreak of measles in my constituency. I would not call it an epidemic, but there has been a massive increase in the number of my constituents and their children who are suffering from measles, which is the overspill from the now discredited campaign to discredit the MMR jab. My area of Cheshire has experienced the largest outbreak of measles outside London. The Health Protection Agency contacted schools and parents to try to encourage them to have the jab. We now have teenagers who are susceptible to contracting measles, which is a very infectious disease. Most people who were involved in the campaign to discredit the MMR jab, including those who demanded of the then Prime Minister, Tony Blair, that he say whether his son Leo had had the MMR jab, share responsibility for the outbreak of measles in my constituency. We must now give a positive message on MMR, encourage people to take up the vaccinations that are available and contain that very contagious disease once and for all. I hope that in the weeks and months ahead parents in my constituency will feel confident that they can now go to their GP or nurse practitioner and say, "We want our children vaccinated with the MMR jab. We know that it's safe and there are no contingent health risks, and it will benefit the health of our children."

I think that Members would be disappointed if I did not give them an update on progress at Daresbury science and innovation campus in my constituency.

Meg Munn: We are all agog.

Mr. Hall: I am sure that that is so, because this week at Daresbury we have had a European first. There is a prototype machine there called ALICE—accelerators and lasers in combined experiments. Alice is of course part of the "Alice in Wonderland" story, and Daresbury is where the Rev. Dodgson lived and wrote the stories, so that is a nice connection. The people there have accelerated electrons to 99.9 per cent. of the speed of light and minus 271° C, which is as close as possible to absolute zero. They have demonstrated that we can now look at chemical experiments as if we were making movies or videos in real time. That will take science on to the next level—it is a major breakthrough.

It is even better than that, though. By generating the energy that is needed to accelerate the electrons as closely as possible to the speed of light so that they can be peeled off in straight lines through X-ray machines, they have demonstrated energy recovery, so all the energy that is put into accelerating the electrons can go back to the start, and we can start all over again at a reduced cost. Those electrons are going to be accelerated at about 11 million V. It is absolutely dynamic science. That is not the end of the project, as some people might think. Now that we have proved that the experiment works, the scientific possibilities are endless. The new light source, which I hope the British scientific community will take on, has been proven at Daresbury, and the intellectual possibilities of the prototype should be exploited to the full.

I want to finish on an unusual note. Last Friday—this is most unusual for most Members of Parliament—I opened a post office. In the Northwich part of my constituency, Mr. and Mrs. Asif have opened a post office in the high street. They invited me along to do the opening, and the shop was absolutely full of customers taking advantage not only of the services provided by the post office but of other services. They have innovative ideas about how they are going to make this post office succeed, and I was delighted to be part of that opening. I hope that the venture is a huge success and that my constituents have a fantastic benefit from it.

Finally, I wish to refer to my constituent, Mr. Bert Dyson, Member of Parliament—*[Interruption.]* I am sorry—Member of the Order of the British Empire. However, Bert would make a very good MP. In the past 25 years, Bert has been behind a project with Helsby golf club to raise money to purchase powered wheelchairs for severely disabled children. In the years that Bert has been doing that work, enough money has been raised to purchase 259 powered wheelchairs, which have transformed the lives of the children who have had them. Bert has had to retire because of ill health and has passed the reins on to another member of the committee, although he will still be involved in fundraising. I thought it appropriate to mark the occasion of Bert's retirement by mentioning him in my speech and congratulating him on the excellent work that he has done to improve the quality of life of young children with severe disabilities in my constituency.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. May I say to hon. Members that they do not have to take 15 minutes? If each succeeding speaker does so, not everyone will get called. That is just a hint.

1.56 pm

Mr. Patrick McLoughlin (West Derbyshire) (Con): I will try to abide by your hint, Mr. Deputy Speaker.

Let me start by welcoming the Deputy Leader of the House, who will wind up one of these Adjournment debates for the first time. He has been a regular attendee in the House on many occasions and has always taken part assiduously in House business and House matters. He brings to his office an understanding of the Chamber that perhaps some of his predecessors did not have. I look forward to hearing him wind up the debate and to his taking up seriously the matters that we raise.

I want to comment on a few issues that have been prominent in my postbag over the past few months, including Post Office card accounts. The Government have now made a decision on that, which I welcome. However, what is unacceptable is the vast amount of time that it took them to take that decision and the uncertainty that it led to in the whole post office system. We are to have a further debate next year on the whole question of Royal Mail, which will be very controversial for some Members. Given how post offices have served rural communities so well, I regret the amount of time that the Government took to reach a decision. That has added to the problem of the survival of post offices as people take decisions on whether to buy them.

In a similar vein, many people, particularly in rural areas, are concerned about the Government's handling of the issue of dispensing from GP practices. The Government announced a decision on Thursday, but the consultation process closed only a few weeks ago. One wonders why there was such a consultation process. I suspect that the Government realised that they were getting themselves into exactly the same kind of mess with the issue of pharmacies and GP dispensing as they did with post offices. I hope that following that consultation some recommendations are taken on board about allowing GP practices to offer wider services from the pharmacies that they operate in their surgeries. That would be an addition to the rural practices that would be welcomed by GPs and by patients who have to use those practices.

I have often mentioned in these Adjournment debates the quarry on Longstone Edge. That matter is expected to go to the High Court some time early in the new year. The Secretary of State for Environment, Food and Rural Affairs has received me in a meeting on that issue, which I welcome. He has considered it in great detail and has taken many measures which, I hope, will be able to reassure my constituents, depending on the outcome of the High Court decision. I will say no more than that. When one often attacks the Government or says that they are getting things wrong, it is right to say when they are getting something right, and I welcome what the Secretary of State is doing.

I want to consider rural broadband because broadband is vital to our country. Although we have almost 100 per cent. coverage, a significant proportion of UK households still suffer from an unreliable connection and poor connection speeds. Poorly served households tend to be in rural areas, where many share an exchange, and are further away from it. A digital divide is developing, and there is a broadband divide between urban areas, which have a much faster service, and rural areas. If there are to be rural jobs and if companies are to prosper in rural areas, broadband is vital because it is essential to the operation of a business.

I want to express a great concern. When we are informed that things will happen, especially by the Prime Minister, they should happen. On 3 December, the Prime Minister stated:

"There will be a statement before the House rises at Christmas."

Many of us are used to the Prime Minister, so some people shouted, "Which Christmas?"

The Deputy Leader of the House of Commons (Chris Bryant): It was the right hon. Gentleman.

Mr. McLoughlin: The Deputy Leader of the House is correct—it was me. The Prime Minister said:

"There will be a statement before the House rises this Christmas."—[*Official Report*, 3 December 2008; Vol. 485, c. 38.]

It is disgraceful that that promise—and the Prime Minister's word—has not been kept. I hope that the Deputy Leader of the House will give us the genuine reason for that. Last week, the Leader of the House said that it was a matter of dotting the i's and crossing the t's. It must be taking a long time to dot i's and cross t's if we must wait nearly four weeks for the statement. In all seriousness, not fulfilling a commitment made at the Dispatch Box to provide a statement before Christmas is a disgraceful way in which to treat the House.

My constituency is large and rural, and bovine tuberculosis is a big issue for agriculture. It costs this country a fortune—it is estimated to have cost between £600 million and £800 million in the past 10 years. The current policy is failing: 200,000 cattle have been slaughtered, yet the incidence of bovine TB doubles every four and a half years. A comprehensive package of measures is needed to tackle cattle transmission and the impact on the countryside. It is worth remembering not only that infected badgers are responsible for the majority of TB breakdowns in cattle, but that they suffer a slow and painful death. It is a serious animal welfare issue and the Government have not dealt with it. I appreciate that there are tough decisions to make, but we cannot continue with the current increases in TB—it costs the country a huge amount of money, which is basically wasted. I want the Government to take that on board.

The Derbyshire building society has proudly talked about its independence as a building society owned by its members for many years. It was therefore a great shock to read in *The Sunday Times* that the Nationwide was about to take it over. I have subsequently received several letters about the way in which that was done. I have written to the Chancellor of the Exchequer, especially about the position of the Derbyshire building society, which sold its Isle of Man subsidiary, Derbyshire Offshore, to the Kaupthing bank in 2007. Many people have lost a huge amount of money and grave uncertainty remains about whether they will be compensated. To what extent did the Financial Services Authority clear the Derbyshire building society's actions when it sold off its offshore service? Were those who had investments in the offshore service properly briefed about the implications? I wrote to the Chancellor in November, but I have yet to receive a response. I realise that it is a complicated subject, but my constituents who have lost huge amounts of money deserve some explanation of what the Government are doing about the matter.

One aspect of the current economic climate that greatly worries me is the treatment of all the people who have done the right thing for a long time and saved

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money for their retirement. When they hear about interest rates decreasing, possibly below the current 3 per cent., as far as the Bank of England is concerned, it is ridiculous for the Government to tell them that they are getting a 10 per cent. return on their savings. The Government cannot continue to say that—they must revise the figure. Ten per cent. was generous even before we hit the current economic climate. We owe a special debt to people who have saved for a long time for their retirement and to have the little extras. If we do not acknowledge that, the House and the Government convey the message that those who save are wasting their time, because they get no reward. I hope that the Government will tackle that serious problem as soon as possible.

There are several other issues, which affect my constituency, that I could raise. However, bearing in mind what you asked hon. Members to do, Mr. Deputy Speaker, I shall simply take the opportunity to thank all House of Commons staff who have helped me so much with my responsibilities in the House throughout the year. I hope that they have a merry Christmas and a contented new year.

2.6 pm

Mr. John Grogan (Selby) (Lab): It is a great pleasure to follow the right hon. Member for West Derbyshire (Mr. McLoughlin), who made several common-sense points about a wide range of issues. As the Member of Parliament who represents the most rural Labour constituency in England, I agree with him especially about the importance of GP pharmacies. If it ain't broke, don't fix it is a good Yorkshire saying, which applies in that case. I also agree with him about rural broadband. In North Yorkshire, we are lucky to have a company called Nynet, which North Yorkshire county council backs, that helps with the position.

I want to consider four issues, which have some connection with the Christmas season. I want to say a few words about public transport over the Christmas period. Many hon. Members will shortly make their way back to their constituencies by train to celebrate Christmas. Many of us have already bought our copy of the Christmas *Radio Times*, and I want to talk about a television-related issue. Sport is part of the Christmas season and I am proudly wearing my Bradford City tie and looking forward to the Boxing day fixture against Lincoln. I have one sport-related matter to mention. Of course, as chairman of the all-party beer group, I urge all hon. Members to pay a professional or personal visit to a pub during the Christmas season. I am sure many of us will do that.

I draw hon. Members' attention to early-day motion 328, which I tabled about public transport in the United Kingdom over the Christmas holidays. In the past six or seven years, a revolution has taken place in our major cities in buses running on Boxing day. Buses—and, indeed, the underground—have run in London on Boxing day for many years. However, a few years ago, almost no other buses in England ran on that day. West midlands passenger transport authority revolutionised its provision of buses on Boxing day six or seven years ago. It started an experiment, initially with a subsidy, but now the buses are run on a commercial basis as people travel to sporting fixtures, go to the shops—the Government are currently encouraging retail spending—or visit family and friends. That practice has spread to all passenger transport authorities in England—they are all running some buses this year, and that is vital.

However, apart from the Heathrow Express, the Gatwick Express and one or two services in Scotland, there are almost no trains for 58 hours. That does not happen in the rest of Europe, where at least a Sunday service runs the day after Christmas. Many of us will have the pleasure of the company of relatives over the Christmas period, but 58 hours can be quite a long time in some cases. More seriously, some people cannot go home for Christmas because they have to be at work on 27 December, and they know that they cannot get back in time. They might lose their job if they cannot get back.

The Government need to look into whether Network Rail and the train operating companies could provide some services on Boxing day. Contradictory arguments are put forward against that proposal. Some Ministers have said that everyone deserves a good period of time off, but they also point to the engineering works being carried out over that time. There is a certain contradiction in those arguments. I have spoken to representatives of TransPennine Express, who say that the most popular day of the year at Manchester airport is Boxing day, yet there are no trains to Manchester airport on that day. Why should Manchester be different from Gatwick? The company is willing to run trains on Boxing day on an experimental basis from York—perhaps even from Selby—through Leeds to Manchester airport. That would help the retail sector and the sporting fixtures as well as the airport. Ministers really need to take an interest in this important matter.

Mr. Deputy Speaker, I do not know what your favourite television programme will be over the festive period, but, once the festive period is over, in January, the public service broadcasting review will be published by Ofcom. This could markedly change the nature of future Christmases on television. I want to highlight the role of ITV in this regard. ITV is trying to get rid of many of its public service obligations. Clearly, the value of ITV licences will come down in the coming years, as we approach the digital switchover.

Having commended one early-day motion tabled in my name, I should now like to commend another. Early-day motion 2283 relates to regional production quotas for ITV, and there are still a few hours left before the Christmas recess in which Members may sign it. It examines the important issue of ITV's current obligation to spend 50 per cent. of its total programme spend outside the M25. ITV is trying to bring that down to 35 per cent. However, the Secretary of State for Culture, Media and Sport observed at the time of the last public service broadcasting review that the 50 per cent. out-of-London production quota was non-negotiable. It was fixed at that level, partly as compensation for ITV reducing its regional news coverage. It is important, particularly for Leeds and Manchester, that ITV should continue to make a large number of its programmes there. Surely it is cheaper to make programmes in the north of England than in the capital city. It would be the final victory of Carlton over Granada—those two companies merged a few years ago—if the regional production quota were decreased. A relatively small amount of money is involved in the out-of-London production quota: Ofcom estimates the cost at £5 million.

On a wider point, I hope that, when the regulator produces the public service broadcasting review, some obligations on ITV will be retained. Even when we reach the digital switchover in 2013, ITV's use of the spectrum and its position on the electronic programme guide will still be worth about £45 million to ITV. Out-of-London production costs ITV £5 million, national news costs it £5 million, current affairs costs it £7 million, and original British production costs it £8 million, and all those things should remain for future British television programmes and British Christmases.

Mr. Deputy Speaker, I know that you are a cricket fan, but I do not know whether you are a racing fan. There will be many race meetings on Boxing day and, at the moment, the BBC and Channel 4 are renegotiating their television contracts for 2010 and beyond. The BBC is threatening to halve its coverage of racing, and I think that that would be a great pity. For many of the people who watch its racing coverage, it is the mainstay of their BBC viewing, and 75 per cent. of racing fans who watch it on TV come from the social classes C2, D and E. I hope that this will not be the last year that the BBC shows the Welsh grand national. I think that it is on 27 December, and it is one of the few bits of live sport on terrestrial television over Christmas. I hope that the BBC will maintain its current commitment to racing in future contracts.

Philip Davies: May I commend to the hon. Gentleman the article on this very subject in the *Racing Post* by Peter O'Sullevan? He is not just a racing great; he is a BBC great as well. The hon. Gentleman is entirely right to support the argument that the BBC should not cut its racing coverage.

Mr. Grogan: As always, the hon. Gentleman gives me a good tip; he is particularly good at doing that. He has also now given me a suggestion for my Christmas reading, which I will certainly follow up.

Finally, a word on pubs. The all-party parliamentary group on beer has set itself a considerable task for next year: we want to make the debate about the future of community pubs as central to the politics of 2009 as the debate on post offices was in 2008. Perhaps 10 per cent. of pubs—that is, about 5,000 of them—will be threatened with closure next year. The pubs in many villages and suburbs are the centre of the community. They are the place where people go to celebrate, to complain about life, to mourn and to seek friendship. They are a great feature of British life.

Keith Vaz: Does my hon. Friend agree that part of the reason why pubs are threatened with closure is that supermarkets are selling alcohol at very low prices? Do we not need a floor price to enable other institutions such as pubs and clubs to compete equally and fairly?

Mr. Grogan: I have always been an assiduous reader of the Select Committee reports that my right hon. Friend produces. He has taken the words right out of my mouth: the essential problem for British pubs is the widening differential between prices in pubs and in the off trade. When I was a young man, the difference was about three times—that is, it was three times more expensive to buy a pint in a pub as it was to buy the equivalent amount of beer in a supermarket. Now, the margin is eight times, and widening.

The Scottish Government are suggesting that a minimum price be introduced next year, and it will be interesting to see what impact that has on the debate in the rest of the United Kingdom. There are other routes that could be explored as well. In Europe, the different regulations relating to VAT are once again being examined, and it is possible that regulations could be passed allowing a lower rate of duty on draught beer, which would be another way of allowing the pubs to compete more favourably. I hope and expect that this will be an important issue for Parliament in the coming year.

No preview of Parliament in 2009 would be complete without a little reflection on the impact of President-elect Barack Obama on world and British politics, and he also has a connection with British pubs. He visited a British pub in 1996 while on a stag weekend, so he has some experience of them. Furthermore, in Adam Boulton's reflections on the Blair and Brown years, he reflects that our own Prime Minister was more comfortable in a pub environment than his predecessor. He spotted him in the Marquis of Granby, and said that the Prime Minister had apparently visited the pub of his own free will. So, having outlined the task for the all-party parliamentary group on beer, I shall finish by saying that when the new President visits these shores—in April, I think—I very much hope that our Prime Minister will invite him to a British pub, perhaps the Marquis of Granby, for at least one pint of British beer.

2.18 pm

Mr. Andrew Turner (Isle of Wight) (Con): First, I should like to talk about the difficulty that local councils face in providing evidence to support planning decisions at the appeal stage. I want to highlight the inadequacy of planning inspectorate investigations based on these cases. The Isle of Wight councillor for Sandown South, Ian Ward, has drawn my attention to a case in my constituency. A council planning decision relating to No. 16, Grafton street, Sandown had been partly overturned at appeal by the planning inspectorate. A landlord had, without permission, changed the use of a residential home for the elderly into a house in multiple occupation. The council put out an enforcement order against the landlord, preventing him from doing this. The landlord appealed against the council decision and the planning inspectorate launched an investigation.

The premises, the inspector heard, had been linked to noise, public order offences and at least one assault. The inspector seemed not to have established whether the incidents resulted in any convictions, or even just their outcome—hardly a thorough investigation. Furthermore, at the time the landlord bought the premises, it housed 13 residents. At the time of the appeal, the single announced inspection found it housed only six—again, this was not a good way of establishing the facts. Further evidence of disturbances was presented by other neighbours. The inspector decided that

"some of those incidents appear to be related to disturbances in the street rather than being directly related to the appellant's property. Some, no doubt, were disturbances that occurred in the street. Some however, we infer, did relate to the appellant's property"—

woolly words for a woolly investigation. Despite all the evidence that convinced the council, the planning inspector decided to allow the landlord to change the use of the

[Mr. Andrew Turner]

premises as he had requested. The appeal decision resulted in only a minor change to the original application.

I share Councillor Ward's primary concern. The planning inspector showed total disregard for the negative impact his decision would make on the neighbouring community. I know that the situation has been replicated on the island, and I suspect that it occurs on the mainland, too. In my view, the end result is often an appeal decision based on inadequate information which is not in the public's interest. It means that many justifiable council decisions are overturned at great cost to the taxpayer by the planning inspectorate. Does the Minister agree that the planning inspectorate has failed the public in cases such as the one I have cited?

On a different issue, my constituent, Mr. Gower, is concerned that despite the availability of 03 telephone numbers, Her Majesty's Revenue and Customs continues to use 0845 numbers, which, as they are not available as part of package deals, typically cost the consumer more than local calls. A complaints manager at HMRC has confirmed that it is looking into alternatives to the 0845 system that would offer benefits to users. As long ago as June 2007, the consumers organisation Which? found widespread confusion about the prices of these non-geographic calls and recommended that they be replaced with 03 numbers. Will the Minister ensure that work on looking at alternatives to the current system is prioritised?

To move on again, I am extremely concerned about the withdrawal of the Department for Environment, Food and Rural Affairs collection service for fallen cattle from January 2009, and I would add my support to the work carried out by the National Fallen Stock Company and the National Farmers Union to find a long-term solution to the particular problems faced by Isle of Wight farmers. Our farmers are in an invidious position in that they want to comply with requirements under the TSE—transmissible spongiform encephalopathies—and animal by-products regulations, but there is currently no infrastructure that enables them to do so.

I deplore the need to get permission from the EU to deal properly with fallen stock. I am grateful to the Minister for seeking derogation in relation to the TSE regulations, but we need a proper solution to these problems. Will the Minister support the provision of a "bulking-up" facility that would enable carcases to be collected in one place and then shipped off the island in bulk? Alternatively, will he work with local people to ensure that an incinerator facility is provided on the island, which would be a long-term solution to some of these problems?

Finally, it was brought to my attention earlier this month that an Isle of Wight bailiff had been ill and off work. It went on for some months, with the result that the Isle of Wight has had no bailiff service for law-abiding landlords. Bailiffs from Portsmouth county court were to provide cover in the meantime, but it seems they were unable to do so and, more importantly, the island authorities were not informed. Although the original bailiff has since returned to part-time duty, this is only on a part-time basis and the confusion has caused significant delays in carrying out the law.

On a related matter, I was informed that one of my constituents had been treated disgracefully by the Ministry of Justice. He had applied for the post of full-time replacement bailiff for the Isle of Wight in July this year and by August he had been offered a position. He was then made to wait 15 weeks, during which he was told that Criminal Records Bureau documentation had been lost, which he then had to replace at his own expense. He was finally told in November this year that the funding for the position had been withdrawn. He had been strung along by the Ministry of Justice HR department for 15 weeks before it informed him of the situation. Meanwhile, the patchy cover afforded by Portsmouth bailiffs put pressure on Portsmouth's own resources. Not only did it cost the taxpayer additional ferry fares to ship them to and from the island, but there were periods when there was no one to act as bailiff.

Needless to say, the constituent in question is extremely angry. He has incurred personal expense in travelling to the mainland for interviews and providing paperwork. He had not applied for other posts over the previous four months because he had been told very clearly that he had a job with the Ministry of Justice. I ask the Minister why, if funding for a new bailiff for the island was available as late as October, it was withdrawn in November? Why was my constituent led on a wild goose chase for several months after August when he could have been seeking other employment? Will the Minister please look into those matters?

Those four items are causes of some concern and I am glad to have had the opportunity to bring them to the Minister's attention. For the most part, however, the Isle of Wight is a beautiful and well blessed place in which to live. I am grateful for the assistance that you, Mr. Deputy Speaker, have given to my constituents and I wish you a merry Christmas and a peaceful and happy new year.

2.28 pm

Keith Vaz (Leicester, East) (Lab): It is a pleasure to follow the hon. Member for Isle of Wight (Mr. Turner), who raised some important issues about the planning system, one of which I hope to take up in my small contribution to the debate.

I begin by joining the Conservative Chief Whip in praising my hon. Friend the new Deputy Leader of the House in advance of his maiden speech in these debates. I am sure it will be scintillating. He has been one of the usual suspects who have attended these debates in recent years, and it must be the nightmare of any usual suspect that they would end up having to answer the issues raised by hon. Members.

I know that we will get a wonderful contribution from the hon. Member for Tiverton and Honiton (Angela Browning), who in each of the Adjournment debates before a recess always invites hon. Members to visit her constituency. We have no statistics, though, showing how many take up her invitation .

I have no quarries or incinerators to speak about, but I start by thanking the Home Secretary for a decision that she took yesterday, I think, which was obvious in the published version of the Policing and Crime Bill, which received its First Reading in the House today. On Tuesday the Home Affairs Committee took evidence from the Local Government Association and the

Association of Police Authorities, and I wrote to the Home Secretary telling her that the Government's proposals for directly elected members of police authorities were fundamentally flawed. Forty-eight hours later, the proposals have been withdrawn. The Home Affairs Committee, of course, takes credit for that decision.

The Home Secretary chose, unfortunately, not to make a statement to the House, but instead to announce her changes to Patrick Wintour of *The Guardian*. Nevertheless, we are grateful for what the Government have done. It surely would have been wrong to give single-interest or extremist groups the chance to get elected to police authorities, thereby aiding the politicisation of the police. There is always politics in policing, clearly, because we have a Home Secretary who is about to choose the next Metropolitan Police Commissioner, but what we were concerned about, and what every group that wrote to the Select Committee was concerned about, was the fact that if we have those elections, there is a danger that the whole police agenda could be hijacked in a particular direction. I thank the Government for what they have done.

I am not quite so keen on the statement that the Government put out today concerning the review of the rights of Romanian and Bulgarian citizens to come to work in the United Kingdom. I declare my interest as a former Minister for Europe with responsibility for enlargement. I have always felt that the citizens of countries that join the European Union should be treated as equal citizens, and I could never understand why Romania and Bulgaria were singled out among the 27 for their citizens not to be given full and equal rights to come to work in the United Kingdom.

The Government review the decision every year and have just put before the House a written statement indicating that they are not changing their position, and that those who come to work from Romania and Bulgaria will have to continue to work as self-employed people. That is the wrong decision because it results in even greater difficulty in dealing with employment issues, though I welcome the Government's decision to expand one of the tiers to allow more agricultural workers, which will benefit people such as my hon. Friend the Member for Selby (Mr. Grogan) and others who represent rural constituencies and have been complaining of the lack of people applying for such jobs.

I shall raise three brief points concerning a number of matters which I hoped the Government would have allowed more time to discuss before the House adjourned. The first is a matter that I have raised on a number of occasions—diabetes. I declare my interest as someone who has type 2 diabetes. I suppose it is the way I discovered that I have type 2 diabetes that encourages me to raise the matter in the House at every opportunity, especially as we arrive at the Christmas season.

The chairman of the all-party beer group is encouraging Members to visit pubs over the Christmas period—not something that many Members will feel reluctant to do. However, I caution Members who have not had a diabetes test. I do not want to embarrass Members over whether or not they have been tested for diabetes, but as they enter the Christmas spirit and are given boxes of chocolates and sweets and consume a lot of sweet foods and carbohydrates over the next four weeks, they should pause, especially if they are slightly overweight—again, I am not looking at any right hon. or hon. Members in particular. If they have that slight problem, it is vital that over the Christmas period they have a diabetes test. The test takes only a few seconds, and they will then know whether they should consult their GP in order to have further treatment.

That is how I discovered I had type 2 diabetes just a few years ago. I am not saying that as a result I am not as overweight as I was five years ago, but that discovery enabled me to take my medication. There are 2.2 million people in the United Kingdom who are diagnosed with diabetes, but 750,000 people are unaware that they have the disease. One of the problems facing us as legislators is that it is costing the Government £1 million an hour to treat people for both type 1 and type 2 diabetes. It accounts for approximately one tenth—10 per cent.—of the entire NHS budget.

Let me issue a plea to Ministers, and indeed other Members, to raise this issue in their constituencies. We hear fantastic statistics about the amount of money that the Government have put into the health service—more money than has been invested in it at any time before. I should like that money to be spent on preventive medicine—on screening people and making sure that they are healthy—rather than its being spent on them when they go into hospital, which, of course, is much more expensive. This also applies to young people. Nearly one in four children aged four or five in English primary schools are overweight or obese, and there are approximately 1,400 children who have type 2 diabetes—some as young as seven—as a result of being overweight. Some have inherited their condition from their parents. I inherited mine from my mother, who sadly died of diabetes complications.

I also want to talk about mobile phone masts, which touches on the subject raised by the hon. Member for Isle of Wight: the planning system. We all use mobile phones, or most of us do. There are 65 million mobile phone handsets in the United Kingdom. There must, therefore, be mobile phone masts; otherwise we would not be able to communicate with each other through our mobile phones.

I am constantly reminded by constituents of the problems that they experience when mobile phone companies erect mobile phone masts without consultation and without taking the views of local people into consideration. If a mast is less than 15 m high, companies do not have to apply for full planning permission; they can make a prior approval application to the local planning authority, which has only eight weeks in which to object. If it does not object, there is deemed planning consent. Leicester's planning department is, I suppose, as busy as any of the other planning departments in Members' constituencies, and because it is so busy, it is difficult for it to adhere to its timetable. As a result, masts are being erected without the support or co-operation of local people. If a mast is over 15 m high, of course, a planning application must be made.

At the start of 2008, there were about 50,300 base station sites in the United Kingdom. Two-thirds are on existing structures and buildings. There are now nearly 74 million mobile connections in the United Kingdom, and the number is increasing every day. I am sure that other Members, including the Deputy Leader of the House, have had representations about it. We need to review the regulations very carefully, and stop the mobile

[Keith Vaz]

phone companies automatically being given permission just because the local authority is not able to reply in time. I urge the Government to look into the issue.

The latest such proposal affects a road at the heart of my constituency, the Melton road, which is frequently visited by the shadow Leader of the House, the hon. Member for North-West Cambridgeshire (Mr. Vara), when he comes to see his relatives in Leicester and goes out to buy his bhajias—not budgerigars, as I have been misquoted as saying—in the Belgrave road. When he goes there, he will observe the ambience of the Belgrave and Melton roads. The latest proposal by Vodafone is to erect a huge mast on the pavement of the Melton road, one of the busiest roads in the country. That would spoil the local environment and upset local residents—and, of course, their Member of Parliament and local councillors. It is decisions of that kind that cause so much upset. Representatives of Vodafone came to see me last week, and I told them that I would oppose the proposal. I think it extremely important for us to take account of the detrimental effect that such decisions made by companies have on the appearance of an area.

Sadly, I do not have a list of constituents that I can read out at the end of my speech to thank them for all their work—those who have distributed leaflets for me, or who have been particularly kind, or to whom I have forgotten to send Christmas cards. I think, however, that we ought to have a debate about changing the procedures of the House. Perhaps at the end of each day's sitting, when petitions are presented, Members can present lists of constituents who are local heroes and heroines, so that we need not necessarily do so during the Christmas Adjournment debate.

May I take this opportunity to wish everyone who works in the House—the staff and Officers of the House, and my own staff in particular—a wonderful Christmas break? We look forward to seeing everyone again in January.

2.40 pm

Mr. Andrew Mackay (Bracknell) (Con): As this is the season of good will, let me join the right hon. Member for Leicester, East (Keith Vaz) in congratulating the Deputy Leader of the House on his speech in advance. I think that that is a very good practice, and it is probably the safest way to move forward. May I also associate myself with the right hon. Gentleman's remarks on mobile phone masts? They were well made, and there must be similar problems in almost all our constituencies.

As this is the season of good will and also because I shall perhaps say a few harsh things later on, may I commend some of the speeches of Labour Members? On the contribution of the hon. Member for Selby (Mr. Grogan), let me be the first to volunteer: yes, I will be visiting a pub over the Christmas period and I will think of him when I do so.

Keith Vaz: Which pub?

Mr. Mackay: I thought the right hon. Gentleman was going to spoil my next remarks by drawing Members' attention to the fact that President-elect Obama visited a pub in our country. He did so while visiting relatives in Bracknell, but unfortunately he chose to go to a pub in the neighbouring Wokingham constituency. That was a mistake, but I am sure it can be put right.

It was refreshing to hear the hon. Member for Weaver Vale (Mr. Hall) admit that he got something wrong. Would it not be wonderful if a few more of us Members did that a little more often? May I associate myself with his remarks on what seem to be the sometimes excessive salaries of chief executives and other senior officers of local authorities? That point becomes even more valid and relevant as the current economic recession bites even harder for many of our constituents.

Finally, while I am trying to be nice to Labour Members, let me commend the speech of the hon. Member for Sheffield, Heeley (Meg Munn). Although she is for the moment absent from the Chamber, let me also say—I think I speak for many Members on both sides of the House in doing so—that I was both surprised and disappointed when she was removed from the Government Front Bench. There would be a long list of Government Members whom I would have removed first. As was made clear by her speech, we in this House will benefit from her being on the Back Benches, and that will be a loss to the Government.

I wish to raise four issues that I believe the House should have addressed more fully before the Christmas recess. The first is the arrest of my hon. Friend the Member for Ashford (Damian Green) and the raiding of his offices and homes. I wish initially to discuss the issue of the police involvement. I was rather surprised yesterday that the internal inquiry was partially leaked by the police. It seems to me that either the internal inquiry should remain internal until the case has been concluded—I would accept that—or it ought to be published in full so we can see its findings. For it to be selectively leaked by the Metropolitan police is another example of crassness by the current senior officers in that force. All I can say is that it is a merciful relief for my constituents that they live in the Thames Valley police force area, rather than here in London.

Questions need to be raised if not now then in the near future—it is possible that they were raised in this internal review—as to why 20 anti-terrorist police officers were needed to raid the four separate offices, and why they took away computers and mobile phones, which must have affected my hon. Friend's work, and was in breach of data protection and of the very special relationship we all have with our constituents. This was most unsatisfactory.

Keith Vaz: The right hon. Gentleman is right to raise these points. May I tell him that both the Home Secretary and the Metropolitan police have agreed to give evidence to the Home Affairs Committee's inquiry into this matter, which will start on 20 January?

Mr. Mackay: I am grateful to the right hon. Gentleman for that. We will all follow his inquiry very closely.

On the involvement of senior police officers in the Met, I hope I am not being too cruel, but what keep coming back to me are the words of Alan Clark when he was referring to the generals in the first world war and the wonderful soldiers in the trenches, because our ordinary police officers risking their lives and well-being

on the streets of London daily are "lions led by donkeys". I very much hope that there will be major changes at the top of the Metropolitan police force.

We must address the issue of how the House authorities dealt with this matter. It is clearly highly unsatisfactory that the police were allowed to raid the office of my hon. Friend the Member for Ashford without a warrant and that insufficient questions were asked. I passionately believe that not only must Members of Parliament not be above the law, but we must be treated exactly the same as all our constituents. However, it is important that, in such cases, the House authorities—the Speaker, the Serjeant at Arms, the Clerk and others—satisfy themselves first that there is a case to answer and that any action is not in breach of the long-standing tradition that protects our constituents' confidentiality in this House.

Clearly, that did not happen in this case and an investigation needs to take place. In his original statement on the day of the state opening, the Speaker rightly agreed with me and tried to set in motion a process to enable such an inquiry. It is shameful and deeply regrettable—I do not believe this was anything to do with the Leader of the House or her deputy, because I think they were leant on by the Prime Minister and the Home Secretary—that the motion that was tabled did not set up a Committee in the way that the Speaker wanted and the rest of the House expected.

We all know that, these days, the Standards and Privileges Committee does not have a Government majority, and nor should it. It is equally plain that although a Committee of the House or, for that matter, a departmental Select Committee should reflect the balance of the parties in the House, that should not be the case on something as important as this. That is why when it came to vote for the Committee as set out in the motion, those on the Conservative, Liberal Democrat and nationalist Benches rightly voted against, why so many Labour Members either joined us or abstained and why the majority was so minute.

The second reason for the minute majority was simply that the Committee was not going to meet, except to adjourn immediately after it had appointed a Chair, and that was quite wrong. The Committee should be carrying out this investigation. Where do we go from here? Clearly, the Speaker's Committee is dead and buried, unless the Government change their mind—I am not holding my breath, and I do not expect the Deputy Leader of the House to say in his winding-up speech that they are going to change their mind. So the only way forward is to refer this matter to the Standards and Privileges Committee. I hope that that will happen as soon as the House returns, so that the Committee can look into all these matters.

The third aspect to the arrest of my hon. Friend the Member for Ashford is, of course, ministerial involvement and responsibility. It is abundantly clear that what was leaked to him embarrassed the Government but was not a matter of national security. It is deeply regrettable that the Secretary of State for Business, Enterprise and Regulatory Reform, noisily abetted by among others the Under-Secretary of State for Innovation, Universities and Skills, the hon. Member for Birmingham, Erdington, (Mr. Simon), led a slur, a smear and what, outside this place, would clearly be a potential slander against my hon. Friend, suggesting that something much more serious was involved and that a major security breach had taken place.

If that were the case, is it not a little odd that the so-called whistleblower was arrested on one day, but it was not until 13 days later that police actually turned up here and raided my hon. Friend's office, and arrested him in his constituency? I notice that it has now all been quietly dropped and forgotten, but what a minority of Ministers did was nasty, unpleasant and wrong and I am sure that it embarrassed Labour Members as much as it annoyed us.

On the subject of the whistleblower, let me make it clear that except in the most exceptional circumstances public servants should not leak information to politicians, journalists or anyone else. When it is not a matter of national security, a full internal inquiry should be carried out in the Department and, in a serious case, if the culprit is found, he or she should be dismissed without any compensation. That should have happened in this case. For some reason, it did not, and we ended up with this heavy-handed police action.

I am confused about the Home Secretary's role in this matter. We have taken advice from the last two Conservative Home Secretaries, my right hon. and learned Friends the Members for Rushcliffe (Mr. Clarke) and for Folkestone and Hythe (Mr. Howard), who are very distinguished. They both said unequivocally that if they had been Home Secretary, they would have expected to be told if a Member of Parliament was to be arrested and his office raided. They said that, by any chance they were not told, heads would have rolled. They have been somewhat backed up by the right hon. Member for Airdrie and Shotts (John Reid), who intervened on the Home Secretary a couple of weeks ago to say that he would not have been so placid if he had been told after the event. Well, all of us who know the right hon. Gentleman know that he is many things, but placid is not one of them. We can just imagine what would have happened if he had been Home Secretary and had learnt about what happened only afterwards.

The Home Secretary's role is unfortunate. We have to accept, because she is a right hon. Member, that she has told the truth and she did not know. That puts her in a difficult position, because the question is why she did not know. Furthermore, why did she not do anything about it afterwards? Strangely, it appears that the Cabinet Office knew rather more, and the Minister for the Cabinet Office was rather more involved. That raises many interesting questions for the inquiry and, possibly, the Select Committee. Indeed, there will be more than one Select Committee looking at this matter, because the hon. Member for Cannock Chase (Dr. Wright) has suggested that the Public Administration Committee will also inquire into the events.

My second point again involves the Home Secretary who, of all Ministers, has had the worst war in the last few months. She is clearly in great difficulties. Here I link in with the hon. Member for Weaver Vale, who was right to apologise. If Gwyneth Dunwoody had been sitting in her customary seat in the corner, she would have enjoyed and appreciated the apology. Why could not the Home Secretary bring herself to apologise, when being cross-examined earlier this week about why Sir Michael Scholar had been so critical of the release of statistics on knife crime that were incomplete and

[Mr. Mackay]

immature? If she had done so, she would have gained huge respect on both sides of the House, because we all make mistakes. I have always found that if people apologise, they are forgiven by every reasonable person.

It is an immensely serious issue. Sir Michael Scholar was appointed by the Government—it was a good appointment and it is right that we should have such a position—as the watchdog on statistics. I am sure that I do not need to remind you, Madam Deputy Speaker, that he is also an ex-permanent secretary at the Home Office. He knows what is going on from back to front. We saw that gentle, rather academic, scholarly face on our television news absolutely furious at how the statistics had been manipulated. We cannot help but feel that again it was not the placid Home Secretary's direct fault, and so we go back to Downing street and the Cabinet Office.

One can imagine some bright young thing who hopes one day to sit on the Government or Opposition Benches thinking, "Now, the Prime Minister has had this knife crime summit in his diary for a few days. Wouldn't it be good to give him some really good statistics to show that it has all been sorted out?" That was wrong. It should not have happened and people such as the Prime Minister and the Home Secretary should apologise and ensure that that bright young thing spends a little more time learning the way the world works. What happened was deeply regrettable.

Thirdly, as my right hon. Friend the Member for West Derbyshire (Mr. McLoughlin) rightly pointed out, it is a disgrace that we have not had a statement on Equitable Life. I made that point to the Chancellor earlier today, so I shall not dwell on it.

It is desperately important that we continue to have more debates on the economy, particularly when the Minister for the Olympics has made it clear—I think that she is right—that this is the worst recession we have ever known. We need to ask the Chancellor of the Exchequer just why it is not the Government's fault. If the markets have decided, due to the reduction of the pound against the dollar and the euro, they have clearly got it right.

I end by wishing you, Madam Deputy Speaker, and all staff here a very happy Christmas—

Madam Deputy Speaker (Sylvia Heal): Order. The right hon. Gentleman's time is up.

2.56 pm

Shona McIsaac (Cleethorpes) (Lab): I wish to begin by putting on the record the fact that this week marks the 90th anniversary of women being able to vote in a general election, and it is also the 90th anniversary of women being able to stand for Parliament. Seventeen women stood for election on 14 December 1918. Only one was successful, and that was Countess Constance Markievicz, so she never took her seat.

The second woman to be elected, of course, was Viscountess Astor, who was elected in a by-election, but today I want to pay tribute to Margaret Wintringham, who was elected in 1921. She was the third woman to be elected and the second to take her seat, as well as the first Liberal woman and the first British-born woman to be elected. She was also the first woman who was actually involved in the suffrage movement to be elected. She represented the Louth constituency, which at the time included the southern section of the current Cleethorpes constituency. I pay tribute to her and all those pioneering women, because without their hard work I would not be able to stand here today and discuss serious issues before we rise for the recess.

First, I want to talk about the death of Lance Corporal Mathew Ford. He was sadly killed in Helmand province on 15 January 2007. His name has now been inscribed on the war memorial in the town of Immingham, where he was born and where his mother still lives. His name joins those of those who died in the first and second world wars.

I want to talk about Mathew today because we have recently had the inquest into his death, and his family have come away none the wiser. Outside Cleethorpes town hall, his mother said that from the day he died, she has not known what happened to him. She does not know why his body was left on the ground. She does not know why he was shot. She does not know who shot him. She hoped to find out from the inquest what happened, and sadly she feels that all those questions remain unanswered. There were discrepancies between the findings of the Royal Navy board of inquiry after Mathew's death and issues raised at the inquest. There was a great deal of conflicting evidence, and I feel that we owe our troops, and Mathew Ford's family, much more than that.

I hope that my hon. Friend the Deputy Leader of the House will help me to arrange a meeting between Mathew's mother and Ministers, so that she can raise her concerns about the conduct of the board of inquiry investigation. Such a meeting would also enable her to discuss some of the issues that were not investigated at the subsequent inquest. The details are very distressing, and I shall not go into them today, but I repeat that we owe it to the families of those who lose their lives serving this country to look into such matters.

The next serious issue that I want to raise today concerns the rates paid by companies operating in Britain's ports, which affects some 700 companies around the UK. In a nutshell, those companies have received demands to pay their business rates backdated to 2005. The sums involved are incredibly large as a result, but the crucial factor is that since 2005 the companies have been paying their rates along with their rents directly to port operators, such as Associated British Ports. That means that they are being asked to pay double, which they believe—I agree with them—is grossly unfair. Some firms have gone under already because of the mess with the rates. The proposed solution is that companies do not pay the increased rates until 2010. That solution is not new—it has been used in the past, with orders being put through this House postponing the immediate implementation of rate revaluations, and I hope that a similar mechanism can be adopted in this instance.

Many hon. Members attended Monday's very successful lobby on the matter in the House, but I worry for the future of the 700 companies if we do not come up with a solution. I hope that Ministers will meet some of the operators involved, and hon. Members have already lobbied my right hon. Friend the Minister for Local Government. We have also seen the Prime Minister, and at that meeting we stressed the seriousness of the problem

and the large number of firms that are affected. I want Ministers to look at the real problems that the firms are facing by meeting representatives of some of them directly. I hope that they will also look at the possibility of putting through the House an order that would postpone the increased levy until 2010. To be fair to them, the Government have made some very helpful suggestions, but I fear that they will not be enough to prevent some firms going under.

The next matter that I want to deal with today is more positive—compensation for former distant-water trawlermen who lost their livelihoods as a result of the cod wars. I have brought the matter up in these debates over the years. We have heard a lot about compensation for miners, for example, but a great many people lost their livelihoods after the cod wars.

The Government introduced a compensation scheme in 2000, but a serious loophole in the rules meant that thousands of men did not receive any money—they may have had a break in service of more than 12 weeks that rendered them ineligible to receive compensation. I thank the Minister for Employment Relations and Postal Affairs, who on Thursday last week announced that a new scheme will be devised in the new year that does not include that serious loophole. As a result, many of my constituents who were never compensated following the loss of their livelihood will receive compensation. It has taken a long time to get to this stage, and talking about former distant-water trawlermen is very much a minority sport in this House. In debates such as this, we can raise important issues for our constituents, which has enabled me to raise this issue and finally have it resolved.

The Secretary of State made an announcement yesterday about some of the measures being introduced following the serious floods. Hull, which is across the River Humber from my constituency, always gets the most attention when we talk about the floods, but that rain that fell on Hull fell just as heavily on the other side of the river, and many hundreds of my constituents were affected. I hope that we can move swiftly to implement some of the measures that my right hon. Friend mentioned yesterday, such as enabling individual householders to obtain grants for flood boards, for example, or special devices that can cover air bricks to stop water entering properties. My constituents are already inquiring about that, and I hope that we get the details of those grant schemes very soon.

The final issue that I want to bring before the House is one of those "You couldn't make it up" issues. It relates to rubbish collection in North East Lincolnshire and North Lincolnshire, two neighbouring authorities across which my constituency happens to cut. In its eagerness to tell residents when their Christmas refuse would be collected, North East Lincolnshire decided to go on a sort of land grab and delivered its leaflets in the neighbouring authority. About 1,000 homes in North Lincolnshire were kindly given the refuse collection dates for the neighbouring authority.

As hon. Members can imagine, the phones were red hot. People wondered why on earth their refuse collections were being completely and utterly changed. Finally, I had to ask one person who the letter was from. They said, "Well, it is from the council—North East Lincolnshire council." I said, "You live in North Lincolnshire council." Now North Lincolnshire is having to re-leaflet the households to tell them that the arrangements have not totally changed. A cost has been put on one authority by another authority. I hope that North East Lincolnshire council will do the decent thing, put its hands up, say sorry and at least pay the cost of rectifying its mistake.

Finally—before Opposition Members leap up to take part in the debate—I wish every Member of the House a restful Christmas. We do not usually get many days off to rest. I also hope that everyone who works for us, all the people who work in the House and all our constituents have a restful Christmas.

ROYAL ASSENT

Madam Deputy Speaker (Sylvia Heal): I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Act:

Consolidated Fund Act 2008

Christmas Adjournment

Debate resumed.

3.9 pm

Angela Browning (Tiverton and Honiton) (Con): Although the right hon. Member for Leicester, East (Keith Vaz) is no longer in the Chamber, I do not want to disappoint him. I welcome all Members to my beautiful constituency in Devon, where when they have feasted at home, they will find the moors and the beaches are wonderful places to walk off all the extra chocolate that we have been warned about.

Dr. Ian Gibson (Norwich, North) (Lab): There are no trains.

Angela Browning: I shall not talk about the trains because I want to talk about a problem we have with the M5, which goes through the middle of my constituency. Junction 28, at the small town of Cullompton, was part of the original motorway, but over the years services have been developed on the eastbound carriageway and it is now an official motorway services area. Unfortunately, the infrastructure of the motorway exit does not match up to what one would normally expect to find on the exit to a services area. There is a small mini-roundabout at the top of the slip road and when articulated lorries in particular come off the motorway at that point, they swing across to the other lane—I hope I am not putting people off coming to Devon—to such an extent that one lane of the slip road has had to be closed.

I have held two meetings with Mid Devon district council, the Highways Agency and Devon county council and, more recently, on 1 December we met the regional development agency. It is obvious to anybody who uses that exit and that junction that its development over the years has outstripped the original infrastructure. Something significant needs to be done, not only to make the junction safer but to cope with the traffic.

There is obviously an impact on the town of Cullompton, which is right on the junction. It is not one of those towns that is miles from the motorway. As motorists leave the junction, they go straight on to Station road and are in the heart of the town within a minute. The development of the town and the growth of its facilities are being seriously restricted, because the motorway junction is significant for access to the town centre and also because there is a problem with traffic leaving the motorway to access the services.

I am concerned that, in discussions with the various agencies, we have had great difficulty in persuading them, not that they should do something about the problem tomorrow but that they should plan and factor into the development of the motorway structure a radically different system to accommodate the changing needs. However, we have been met with opposition. It is true that the Highways Agency may consider some minor changes, because it realises that there is an immediate problem, but we were told that one of the reasons why nothing significant could be done was that the junction was at a small Devon town. If we were adjacent to a large city, we would probably have funding for the changes. It is particularly galling that decisions about important motorway junctions are based not on need but on something called a spatial strategy—a plan not drawn up by the local people who use the junction and understand the priorities of the town or that part of the motorway, but by the regional development agency and, in particular, the regional assembly. Those bodies are unelected and unaccountable, yet they seem to have all the say about how money is spent and where the priorities for development and growth should be. It is yet another example of how rural areas—even a motorway junction in the middle of a rural area—and small towns lose out, because third parties, miles away from where we live, take significant decisions about what should or should not happen.

If the decisions had been left to Cullompton town council, Mid Devon district council and local people and they could have had a say in what happened in their area, it would be a different matter. I hope that the Deputy Leader of the House will take on board what I am saying. Quite frankly, we must ask whether those bodies—the RDAs and regional assemblies—are really serving all the community that they have been given power over, or whether they are just selective about those interests that they think are more important. We talk about local decision making, but they do not think locally; they do not act locally.

I shall move on to issues that affect elderly people—I declare an interest. [Hon. Members: "No."] We have already heard that there was general disappointment in the House about the reply that the Leader of the House gave yesterday to the question on the 10 per cent. interest on savings that is deemed to apply to benefits. That particularly affects elderly people who want to obtain pension credit and other important benefits that affect people who are at the margins of being eligible to apply for benefits. There is a significant change of circumstances, with interest rates dropping. I should like to add my support to those Members who have already said that the Government should urgently consider this matter. As has been said, people who have saved and people who rely on sometimes quite small amounts of investment income from their building society and bank accounts that are really important to their general well-being and their household budgets now find that that money is not there. I am really quite worried when people laughingly say, "Oh well, the only place to keep your money these days is under the bed." Frankly, that is very worrying, but it is something that we shall face, particularly if interest rates go down to zero, which is not impossible. I hope that the Government will think again about that.

I should also like to refer to the help that the Government are giving to people who qualify for help with insulation. I have heard the Prime Minister talk about helping elderly people with money to help not just with fuel, but with insulating and improving their homes. I got an e-mail this week from a constituent who wrote:

> "My 'free' home insulation—cavity walls and loft—was arranged for 11th December but postponed indefinitely, at two days' notice, due to lack of funding. Is this yet another example of a splendid initiative by HMG that has been inadequately implemented and funded? At the age of 76, this sort of disappointment is very difficult to take, without getting depressed."

I am pleased to report to the House that it looks as though that situation will be resolved for that gentleman, but what is the problem with that policy, which has been spoken about frequently by the Prime Minister personally? We are now in December, before we have even reached

the hardest months of the winter, and contracts that were being implemented are suddenly stopped in their tracks at two days' notice. I really do not understand why that should be, and I wonder whether the Deputy Leader of the House would be good enough to look at that and get back to me.

I should also like the Deputy Leader of the House to take up another issue with the appropriate Minister. I have tried to raise it with the Minister of State, Department of Energy and Climate Change. I raised it with the former Energy Minister earlier in the year, and it took eight months to get a reply, despite several promptings. I am still waiting for a reply to a request that I made in November to the current Energy Minister.

There is something called the Gas Act 1986, in which protection was given to people who had to buy their gas from their landlords. That protection was put in place so that landlords could not exploit their tenants. Several people in my constituency live in park homes, and some of them have to buy their gas through their landlords. They also buy liquefied petroleum gas. I understand that the protection given to people who buy gas does not cover such fuel, which has been provided by landlords more recently, as it was not included in the Gas Act 1986, because it is an oil-based product. Unless we can assist people who have to buy their fuel through third parties—and I do mean "have to"—and cannot shop around in the marketplace to get the best deal, they will be sitting ducks if landlords wish to exploit them.

Measures should be introduced; the Government could either identify an existing Bill to which they could be added, or could add them to an appropriate Bill in the next couple of months. It is wrong that landlords can exploit people through the resale of fuel, which is so important to people. There are some very nice park homes in my constituency, but people who live in park homes are, almost by definition, not the wealthiest people. They are predominantly older people from an older generation. I hope that the Deputy Leader of the House will give the issue serious consideration.

Jo Swinson (East Dunbartonshire) (LD): Will the hon. Lady give way?

Angela Browning: I will not, if the hon. Lady does not mind, because I realise that not everybody will get to contribute if I do not keep my remarks brief.

I want to make one more quick point. It is about generic prescribing. I had a letter from a young man who has to take drugs for his epilepsy every day. He pointed out to me that he has great difficulty because of generic prescribing. When he goes to get his repeat prescription, it is not always the same drug, although chemically, I am told, it should be. His body has got used to one particular compilation of drugs. He is concerned that the way in which the drugs are put together means that he has difficulty moving from one brand to another, although technically the drug is the same.

I take prescribed drugs, and will have to do so for the rest of my life. I take one of the drugs as a tablet twice a day, which is very simple, but recently I noticed that I have got a different sort of drug—these are all generic drugs—and I was told to take it an hour before I eat. I was presented with a problem; I thought, "Does that mean I've got to wake up at 6 o'clock to take the drug, go back to sleep for an hour, and then get up and have breakfast?" These things are really quite difficult. Of course, not everybody reads all the small print on those little boxes of medication. I always do.

Will the Minister be good enough to have a word with the Department of Health about the issue? I am not suggesting that there are big differences in what is prescribed, but sometimes there are significant differences that are of concern to people for whom it is important, as far as their medical condition is concerned, to take the same medication at the same time each day. May I wish everybody in the House—Members, staff and officers—a very happy Christmas? And don't forget—come to Devon for the new year.

Several hon. Members rose—

Madam Deputy Speaker: Order. I am hoping that everybody who wishes to contribute to the debate will be able to do so. I have had my eye on the clock, and after the next speaker, the time limit on speeches will be reduced to 10 minutes. That way, I hope that everybody will be able to make their contribution.

3.23 pm

Dr. Ian Gibson (Norwich, North) (Lab): I will support the cause and be very brief, Madam Deputy Speaker. I want to weave my talk around a document that has just been produced by the National Endowment for Science, Technology and the Arts, a creative manoeuvre of the Government's from early on in the 1997 period. The document's title is "Attacking the Recession: How Innovation Can Fight the Downturn". It points out that many countries have historically got out of recession—recessions come and go—by playing to their strengths. It mentions Finland, Japan and other countries. It talks about the strengths of economies—the parts that are moving—and argues that such considerations can give people a chance to develop new ideas, innovations and new ways of thinking. Perhaps we need to emphasise that a little more, with regard to what we are doing creatively.

Now for a sharp contrast: the hon. Member for South Norfolk (Mr. Bacon), who is in the Chamber, will know that I always mention railways, because I have a real fetish about the Norwich to London rail line. He has worked with me on the issue. That rail line has everything that the document tries to replace. It suffers from absolute defeatism; it cuts jobs; it closes Delia Smith-approved restaurant cars—there is not much better than those—and it gives every excuse for lateness, from foxes on the line to cars on the line. Anyone who wants an exciting journey from Norwich should get a train on that line. It will stop outside the emerging Olympic village, which can be seen growing in the time that the train sits there. That is an amazing feature; I am sure that many young people would like to see how buildings can be stuck up at that rate. Blow me, but when the Princess came to Norwich on Monday, she was late as well. Once we get the royals on our side, we might make some progress.

Some of us have been trying to get the line repaired for some time. If there is snow, the line gets paralysed for days. This country invented the train, yet here we are still with these problems. For the next three years at

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weekends we will again have to get on buses—we have already had three years of getting buses on Saturday mornings or Sundays and so on. Many people who work or study in London come up to Norfolk and are subjected to all that.

Some of us have also fought for the dualling of the A11. Thanks to the Government, it looks as though it will happen sooner rather than later; the last few miles are about to be done. The hon. Member for South Norfolk has given up on the trains; he now takes his car, and the dual carriageway will be ready for him before the trains are in order.

We are trying to do all these things in a country where the train is absolutely essential. It can be pleasant and fun, and when it works it really works. Restaurant cars can be very conducive to good interactions between people. In general, we need to bite the bullet on the train network in this country and make it really fit for purpose. Many construction and engineering jobs would come too, and that would be part and parcel of taking our country forward in the current situation. Furthermore, if National Express and the rail network do not get it together, my solution, as always, would be to renationalise the railways. The cry for that will grow and grow. We will get to the point reached in New Zealand, where the Labour party Government nationalised the railway to the advantage of the railway system, which improved under former Prime Minister Helen Clark. I think that in this country we will also move that way pretty sharply and shortly.

We often hear about boom and bust. Capitalism is all about boom and bust; there is no use in kidding ourselves—it booms and busts, and that is just one of its features. The odd green shoots will be on the way as we go through this recession, and perhaps a general election will move things along. We have to keep nagging the Government to make sure that we build on our strengths and reshape our futures, not only in the next six months but in the next five to 10 years—we have to have our eyes on that period as well.

Finally, I turn to Norwich and Norfolk in the context of looking ahead and fighting for a strategy to develop the county's strengths. We need to be much more proactive. For example, as the document that I mentioned clearly states, the growth in the financial realm will probably decrease. Norwich used to be all about Norwich Union—people intermarried and all got jobs there, but things have changed. The financial sector has moved and it will move more.

What are the chances of getting something going in my constituency's part of the world? What strengths do we have that will bring us out of the recession even faster? Norwich has a famous research park, which includes the university of East Anglia, the Norfolk and Norwich hospital and three independent institutes—the John Innes centre, the Institute of Food Research and the Sainsbury laboratory. One should not laugh, but the John Innes centre has produced purple tomatoes. They are genetically modified—we may have an argument about that, and I am sure that the issue will come up again. The tomatoes are full of anthocyanins. They are good for the health, allegedly. How do I know? When they were tried on mice, the mice lived longer. It will not be long before we will be trying them out on the Opposition. I shall bring some down and slip them into their heavy diets, because I know that their Front Benchers are worried about obesity.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Let me inform the hon. Gentleman and the House that my sister, who, like him, is a GP, has fed me some of these purple tomatoes, and they are delicious.

Dr. Gibson: I am sure that the hon. Gentleman will now be invited to interact with the people there. Who knows? There may be a package on its way to him at this moment.

In the field of biotechnology, many exciting things are happening in Norwich, as they are across the country. It is the coming science. As the Minister for Science and Innovation in the other place, who made his name in biotechnology, has said, this part of the world, and the United Kingdom in general, is the arena where things are really going to happen. Another example is broccoli, which has chemicals called sulforophane. Using conventional plant-breeding methods, broccoli can be increased to super-broccoli status by having more of those chemicals. That has been shown in many cases to reduce rates of cancer. As Members will know, we have here a very successful and powerful all-party cancer group. Ministers come to see us, and we have a day called "Britain Against Cancer". That is now reflected in Norfolk. Patient groups attended, and we had tremendous support from right across the county. The interesting thing was that no more money was needed. We discussed the interactions between people and the innovatory ways in which they were going to deliver the services—and blow me, one week later the local hospital delivered some of them. That may have been going to happen anyway, as these things do. However, things are increasingly moving back to the localities, and we should try to reflect some of the activities that we have learned about in this place down at the local level.

The university of East Anglia is famous for its creative writing department, with Malcolm Bradbury, Ian McEwan—the names go on and on. It has the Tyndall centre for climate change research, which is a world leader in that field. An organisation called Carbon Reduction, or C-Red, is interacting with industry to help and advise it. The university interacts with local industry in advising people about their energy needs and so on. It has helped Adnams, the great brewery. My hon. Friend the Member for Selby (Mr. Grogan) has left the Chamber now, but we are trying to get Adnams beer into the House. It is difficult because it is a big name. Adnams has created the world's first carbon-neutral beer. I do not know what it does for hangovers, but the fact that it is carbon neutral is quite a success.

As for an engineering school, UAE does not have one. About 2 miles down the road, there is a Lotus factory that gets involved in making cars, engineers work there, and there is Formula 1 and Snetterton race track. Young people could be stimulated to take an interest in engineering at a time when this country is crying out for engineers. We need to interact at that level with universities. If we can get that interaction with research institutes, communities and the health service, we can get it right across the board. Part of the problem with universities is that they are hooked into

the research assessment exercise, the results of which come out today. Their whole lives are taken up with trying to survive a rigorous assessment system.

We have all this biotechnological development going on in that part of the world. We have low-carbon technologies coming along, and health care products. With some initiative, we could ensure that travel, the railways and tourism expand at the same time and we become the regional hub. The social issues are part and parcel of that, and many initiatives are going on. There are groups such as Transition Norwich, where 500 people will come along to a meeting in a big hall on a Wednesday night to discuss how they can get involved with their environment and their community by having their own allotments or keeping bees. So there is a grass-roots feeling that can be tapped and I believe that that sort of community spirit—with people interacting and creating things—can sort out many problems. The local food produce schemes will be a big thing.

Let us get the railways right and get green technology going. Broadband access has been mentioned—we still do not have a national fibre-optic cable network, and that needs to be achieved. We need a human capital strategy, whereby we work with young people, who perhaps do not go to university for three or four years, and enable them to duck out of education and come back into it. All those novel ideas exist, and we need a regional innovation strategy. However, I do not know who will deliver it.

Norfolk is by the sea and it is blowy, but there is, as yet, no wave energy of which I am aware. There is some wind energy, and talk of turbines in the North sea and so on, but we need to get going and get zippy, and interact with firms that can build such things, as well as with other countries.

A co-ordinated approach is the way forward. We need it for the many young people who want to set up businesses. The document that I mentioned at the outset is all about building on the strength of the creativity of our young people. Some will be writers, some will be engineers, some will be scientists and others—very few—will be politicians. However, at the end of the day, we must get resources from the organisations that work in the relevant parts of the country to push the creativity that exists. It is our strength and will be a major feature of getting out of the recession.

3.35 pm

Jo Swinson (East Dunbartonshire) (LD): Like many hon. Members, I had the experience of attending a school nativity play last week. It was at Killermont primary school in my constituency and it was delightful. It brings home the spirit of Christmas, which is an especially exciting time for children.

However, it is important to remember that, behind the fairy lights, Christmas carols and jubilation, many people carry great worries—especially financial worries in the current economic climate—on their shoulders at this time of year. It is especially galling when Government incompetence causes those financial worries. I know that most Members of Parliament encounter many Child Support Agency cases in which the CSA has been unable to enforce judgments and make parents who do not have care of their children pay for their maintenance.

Recently, I came across a case in which the ex-husband had made significant maintenance payments because he earned a good salary, but my constituent was left on benefits and did not know that the payments were being made. That went on for several years, and she found out only through a freedom of information request. If she could have got the payments to which she was entitled for her and her children, she would have been in a position to take on part-time work and make pension contributions, and her financial situation would be entirely different. That is an example of the appalling mess into which the CSA gets.

Another example of Government incompetence is the tax credit system. My constituent Mr. MacMillan did not confirm his income in time and consequently was presented with a bill for more than £8,000 to repay. Suddenly getting a letter through the door demanding such a sum is terrifying for people on tax credits. The figure has thankfully been reduced to £4,000, but it is still a significant sum. Let us remember that my constituent was entitled to the money, and that the position arose because of one error of not confirming his income in time. That is an incredibly harsh way in which to treat individuals, especially when the tax credit system gets so many things wrong through overpayments or underpayments. I have lost count of the constituents who tell me that they wish they had never applied for tax credits.

Kaupthing Isle of Man is another financial issue that worries many constituents. Many had invested, sometimes through UK companies, and had no idea that their money had been taken offshore, but they now stand to lose significant sums. On 13 November, the Leader of the House said:

> "I shall raise it with my colleagues in the Treasury to establish whether a written ministerial statement is necessary in respect of those with deposits in Isle of Man financial institutions."—[*Official Report*, 13 November 2008; Vol. 482 c. 962.]

No written statement has yet been made, so I wonder whether the Deputy Leader of the House will give us an update when he sums up. Will there be a Treasury statement? What are the Government doing to press the Icelandic Government to honour their commitments and compensate those who are affected?

In Treasury questions, I raised the depressing issue of unemployment and the 85 jobs going from Flexible Ducting in my constituency. Woolworths also employs more than 30 people in Kirkintilloch in my constituency. The Government could take a leaf out of President-elect Obama's book, by investing in a green jobs revolution. They should also put much more investment into installation for homes, which would cut energy bills and help people to save money. We need to use this opportunity to create those jobs and help people to cut their bills.

It is not only the national Government who should be making their mark; it is local government as well, as my hon. Friend the Member for Sutton and Cheam (Mr. Burstow) pointed out. His council—along with Islington and, I am sure, others as well—has reduced the payment times for small and medium-sized businesses in its area to just 10 days. I very much hope that my local council will adopt such a policy. Indeed, I wrote to it earlier this month asking it to do so, but sadly there has been no response so far. The urgency of the situation means that action is required now from local authorities, and I hope that East Dunbartonshire council will act to

[Jo Swinson]

do this. Other councils have shown that it is possible, and it is an essential way of assisting businesses during the economic downturn.

I want to turn to an issue of great concern to a particular town in my constituency. The Low Moss area of Bishopbriggs, one of the biggest towns in my constituency, was chosen as a temporary site for a prison more than 40 years ago. The term " temporary" is an interesting one because, 40 years later, the prison is still there. Recently, against the wishes of the local community and the local council, the Scottish Government decided to build a new prison facility there. Despite the fact that it has been called Low Moss prison for 40 years, we have now discovered that, to add insult to injury, the Scottish Government and the Scottish Prison Service are now planning to call the new facility Bishopbriggs prison. Indeed, they have confirmed to me in writing that HMP Bishopbriggs is its working title. No reason has been given for this change.

Bishopbriggs is a cheerful and friendly town with a great community spirit. It has produced such esteemed figures as the politician Thomas Muir of Huntershill and, more recently, the talented musician, Amy Macdonald. Understandably, the people of the town do not want the first thing that people think of when they hear the name Bishopbriggs to be a prison. I have started a petition against the name change, and hundreds of people have already signed it. The strength of local feeling could not be clearer: the name HMP Bishopbriggs simply must be dropped.

I want to talk about the possibility of speeding up Parliament's entry into the 21st century. I know that the Deputy Leader of the House has taken an interest in online matters. Indeed, I remember that, before his promotion to the Government, he was often seen asking questions in business questions to the Leader of the House about whether we should have more e-tabling of signatures for early-day motions and such like. More and more MPs are now using the internet to connect better with their constituents, and Parliament should also embrace this new technology, whether through social networking sites such as Facebook, Bebo and MySpace, or through interactive forums, encouraging comments on websites, podcasts, video logs—known as v-logs, they are small videos that can be uploaded to sites such as YouTube—or, indeed, a new website launched today called tweetminster.co.uk. It aggregates all the mini-blogs or "twitters" of those MPs who twitter regularly. I declare an interest, as one of the five MPs identified as those who use this service. The others are the hon. Members for Loughborough (Mr. Reed), for West Bromwich, East (Mr. Watson) and for Welwyn Hatfield (Grant Shapps), and my hon. Friend the Member for Hornsey and Wood Green (Lynne Featherstone). This is an example of a way of connecting more immediately with our constituents, and I would encourage other hon. Members to make full use of the advantages that the internet offers, particularly in relation to the younger audience, who would not normally declare a huge interest in politics.

I have noticed some reticence in the House, however, and I hope that the Deputy Leader of the House will be able to press this issue forward. I have found it difficult to make progress on a couple of issues in a particular. One is the campaign that I have been running to persuade the House authorities to allow Members—and, indeed, members of the public—to upload clips of what happens in the Chamber on to sites such as YouTube. At the moment, we are allowed to upload them on to our own websites, which is helpful in some ways, but we do not have the opportunities that other sites afford, such as forwarding and sharing these clips easily between like-minded people; posting them on to social networking sites; and rating them and commenting on them so that particularly popular clips can be flagged up through the sites for a wider audience.

Yes, most people can watch the BBC Parliament channel, but they probably do not do so. They see Prime Minister's questions on television, and I have to say that I shudder to think of their response to it, because I do not think that it portrays the House at its best. If perhaps little nuggets of this House's holding the Government to account by asking questions or of various other parts of parliamentary business could be distributed among like-minded groups and individuals, I think that it would be a great advantage for democracy. I know the Administration Committee is looking into this and I hope that the Deputy Leader of the House will also take it up.

I also urge the Deputy Leader of the House to take up the "Free our Bills" campaign. My early-day motion 221 has been signed by 72 Members so far. It is intended to change the way in which we tag legislation electronically to make it easier for people to follow where we are in the Bill process and make comments, which can only increase people's engagement.

Finally, I echo the thanks of other Members to the staff of this House and to those working hard in our constituencies. I hope that the House will allow me a little indulgence to say a special thank you to my researcher, Nick Hutton, who has been a member of my staff since I was elected three and a half years ago. I have to say that he is an absolute star, but sadly he will be leaving in the new year to take up a new job. He will be greatly missed.

Merry Christmas to you, Madam Deputy Speaker, and to everyone in Parliament.

3.46 pm

John McDonnell (Hayes and Harlington) (Lab): In these debates, Madam Deputy Speaker, our whole life almost passes in front of us, but I want to concentrate on a serious issue that has come up in my constituency about the care of the residents in the residential homes owned and managed by the company Southern Cross. The story goes back two years when I was approached by relatives of parents who lived in Southern Cross care homes in my constituency and across the London borough of Hillingdon.

A range of concerns were raised, including poor standards of care and cleanliness in the homes, lack of staff, lack of management, poor diet and lack of stimulation. I heard anecdotes of elderly people slumped in their chairs while the television was blaring. I heard about lack of respect as well as lack of care, as elderly people were spoken to in a demeaning manner. I heard about hectoring and even a bullying atmosphere was described. Anxieties were expressed at that stage about

the physical security of the elderly and about the heavy manhandling of elderly people.

I took up individual complaints with the London borough of Hillingdon and the local primary care trust, but the frequency of the complaints worried me. In June 2006, I wrote to the then chief executive of the Hillingdon primary care trust to arrange a meeting with relatives to discuss the standards of care. We sat down and went through the issues together. I attended local meetings of the carers association and the Alzheimer's Society and listened to similar concerns.

We were informed at the PCT meeting that our views would be listened to and fed back to the local council as well as the PCT itself. Despite that, I continued to receive in subsequent months individual complaints and expressions of concern about standards of care. I thus wrote to the director of social services at Hillingdon and to the chief executive of the Commission for Social Care Inspection. I enclosed a copy of a constituent's letter that outlined examples of the concerns.

As I have said, I was still contacted too frequently by relatives of elderly people who express their concerns and I said at that stage that I was extremely worried that these people were vulnerable. I asked for the director's views on the standards of care, I told the commissioner that I was extremely worried and I suggested to the director of social services that we should have an independent review. I welcomed the commission's involvement and offered to meet Hillingdon council and the commission. I received no response from the London borough of Hillingdon, but I liaised with the commission to set up a meeting at the House of Commons at which relatives and representatives of the carers association could explain their concerns.

We were told at that meeting that the Commission for Social Care Inspection would be inspecting Hillingdon in 2008 and that there would be an attempt to bring the inspection forward. At that stage at least, I thought that we were making some progress. I was relieved that we had at least engaged. The CSCI inspection took place in early 2008 and its report was published in March. It concluded:

> "The London borough of Hillingdon's performance in safeguarding adults was poor...Quality assurance processes in relation to adult safeguarding were underdeveloped and there were some key weaknesses... Safeguarding recording practice was generally poor"—

and it continued like that.

Although the report is clearly damning on the issue of safeguarding the elderly, others as well as me found it fairly superficial. It offered a weak approach and it lacked a follow-through. The commission was too willing to accept excuses, unwilling to follow through improvements and unwilling to confront providers themselves with their weaknesses. Nevertheless, I thought that we were moving on again and were on the right path to raising standards. Six to nine months later, regrettably, constituents' complaints keep coming. The examples are just the same as before: lack of physical care, lack of nutrition and so forth. One person's father was losing weight yet the home did not even have the scales to measure it.

Because of the lack of consistent improvement, I approached one of the local councillors, Councillor John Major, who has been assiduous in raising these issues. He approached the leader of the council. We suggested an informal meeting with relatives, the carers association and Age Concern to have a chat to ensure that the leader of the council understood the concerns. The leader of the council is the council's champion for the elderly. Unfortunately, he declined the meeting. I received a note from Councillor Major saying that the leader was discussing the matter with a fellow cabinet member. It appears that the meeting that was proposed as a way forward was not the way in which they wanted to deal with the situation. I was disappointed by that response.

Having got nowhere in securing redress through the leader of the council, three weeks ago I met the chief executive of the Hillingdon primary care trust with my neighbour, the hon. Member for Uxbridge (Mr. Randall), and I raised the concerns at that meeting. In contrast to the council, the PCT provided me with a detailed briefing note on what was happening in the individual homes. We were informed at that point that all admissions to the homes had been suspended.

As a result of one serious incident on 30 October, the police were called in. I will not mention individual homes because I do not want to worry my constituents any further, but in each of the homes at some stage admissions seem to have been halted by Hillingdon because of various concerns about the standards of care. There had been a litany of complaints throughout the year which had to be investigated, and when they had been investigated, further complaints arose. In one instance there were allegations that notices had been put up warning staff not to whistleblow to the Commission for Social Care Inspection.

There seems to be a typical pattern of behaviour. When a complaint is made, the company reacts by putting in a manager from another home. Intensive efforts are made to improve the standard of care. The improvements last a few months and the manager is pulled out. At the same time, the home where the manager worked previously deteriorates. The cycle has been going on year after year. While I was being briefed by the primary care trust, local Councillors Anthony Way and John Major insisted on a briefing from council officers. That reiterated exactly the same complaints—lack of staff, lack of training, lack of record keeping, lack of respect for the elderly, health care issues and lack of communication throughout.

The question for me is why the situation of continuous complaints has been allowed to happen, with the evident risk to elderly people. One reason, I have discovered, is that the council did not have the staff in place to commission and monitor the contracts awarded to Southern Cross. I have had sight of a letter from a council officer that confirms that there should have been five staff in place. Last year there was only one. The council recruited four staff, but two of those took redundancy, so there are only two members of staff. The council did not have the staff to monitor the contracts, find out what was going on, decide on appropriate action and take that action.

A second reason is that the council let the contract for residential care for the elderly on such a scale to Southern Cross over a 10-year period that Southern Cross has a virtual monopoly in Hillingdon. The council closed down its own homes and has very little alternative accommodation in the private sector, so Southern Cross has the council over a barrel. Southern Cross has become one of the largest providers of care for the elderly in the

[John McDonnell]

country. It is ruthless in the pursuit of profits. To gain a market share, I believe it has introduced loss leaders and maximised its profits by cutting staff, cutting wages and failing to invest in the basic services of those establishments.

I read a recent report in *The Times* on Southern Cross standards, which was informed by numerous comments by employees and former employees confirming the report's headline, "filth and abuse in care home." Earlier this year the company was on the point of financial collapse and I believe it made even more cuts in its service delivery. I pay tribute to the hard-working staff in those homes. They are underpaid and lacking in managerial support, yet they do their best in that environment.

There is a third reason why the scandal has been allowed to persist for so long. It is the one that the hon. Member for Sutton and Cheam (Mr. Burstow) mentioned: for too long, the needs of the elderly in our society have been ignored. They are swept to one side. The elderly do not count as much as others in our society. That must end. One small way in which we could demonstrate that they do count is by tackling Southern Cross in our local area, the London borough of Hillingdon, and nationally. I wrote 10 days ago to the Secretary of State for Health asking for Ministers to intervene as a matter of urgency in Southern Cross in the London borough of Hillingdon.

I also think there is a need for a wider review of the way in which we treat and care for the elderly, however, particularly in the privatised sector. We cannot sit back and let elderly people be put at risk in this way. There has been case after case in my constituency of what I consider to be severe neglect, and as I said, the police have been called to one home to investigate the physical abuse of an elderly person by the staff.

Members have mentioned the case of baby P, which has caused distress to the nation as well as throughout the House. I give this warning: unless we take decisive action fast on the care of the elderly and elderly care standards, we shall inevitably be faced with a granny P or a granddad P. It is coming; indeed, it may well have happened in our own area as a result of the activities of Southern Cross as a poor provider of residential care for the elderly. I urge my hon. Friend the Leader of the House to go to the Secretary of State for Health and say that this is an urgent matter that needs to be addressed locally and nationally.

3.55 pm

Mr. John Randall (Uxbridge) (Con): As always, it is a great privilege to follow my neighbour, the hon. Member for Hayes and Harlington (John McDonnell). What he has said is absolutely right. As soon as possible after Christmas, I shall try to arrange a meeting between us and the leader of the authority, and we will also take up the issue with the Department. We are all very concerned about the care of the elderly, and I am afraid it is true that all too often elderly people seem to be somewhat forgotten.

According to today's headlines about the ambulance and health services, they are at a critical point. I want to pay tribute to the ambulance service, because only last week my mother, who is 89, was taken to hospital by ambulance—thankfully, she is out of hospital now. I saw for myself the problems experienced by Hillingdon hospital, such as trolley waits. The ambulance personnel, for whom I have the highest regard, were having to wait with their charges until they could hand them over to the nursing staff, which meant long delays. While they were there, they could not be out doing what they wanted to do, and they were not taking breaks. I saw a variety of things that filled me with admiration for the work that they do, and, of course, for the staff of Hillingdon hospital.

That experience also made me realise that, despite everything, there is still a long way to go in relation to care. Most of the people whom I happened to see in the hospital were elderly, and very frightened. Many of those who arrive there do not have relations or friends with them. The situation is very worrying, and we must look into it.

When I was on the hospital site I met the chief executive, Mr. David McVittie. I have been very impressed by him on a number of occasions. He is always out there, walking the wards. As a retailer myself, I would describe him as a floorwalker. Staff members told me that he knew most of their names, which I considered very impressive. So it is a shame that, having said what a wonderful bloke he is, I must now say something that will irritate him slightly.

Hillingdon hospital wants a rebuild. It is working towards that, and the Government are considering it. RAF Uxbridge is being sold off, and it would be a wonderful site on which to rebuild the hospital for not only my constituents but the whole borough of Hillingdon. In fact, it would be better for the constituents of the hon. Member for Hayes and Harlington and of my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd). We heard this week that a new college was to open in Uxbridge, with 500 nursing students. I cannot help feeling that the two establishments should be next to each other. May I suggest to the Deputy Leader of the House—whom I welcome to his position—that at some stage we should get the Department of Health and the Ministry of Defence together to discuss what I think is a wonderful opportunity? I have been told that it is not possible to use the RAF Uxbridge site for reasons involving foundation trust status and all sorts of interesting financial things, but I cannot help feeling that we must work around that.

I want to say something about the RAF, because personnel from RAF Uxbridge and RAF Northolt are currently serving overseas. I am thinking of 32 Squadron in particular, but there are others serving in the Falklands, Turkey, the middle east, Afghanistan and Iraq. I pay tribute to them and their families.

I was contacted recently by a wonderful serving warrant officer, who told me the one thing that he was concerned about while serving was the appalling state of accommodation at RAF Uxbridge. Principally because it is going to close down, there has not been much movement on improving it, but I am going to see it—I have spoken to the relevant Minister, and he has given me permission to do so. I am sure that hon. Members will want to hear about the situation there, and it is to be hoped that something can be done, because it is appalling if, while members of the armed forces are serving abroad, often in dangerous operation areas, they are worrying about the conditions their families are living in. That is a very sad state of affairs.

I welcomed the Prime Minister's announcement today on withdrawal from Iraq. As the Liberal Democrat Chief Whip, the hon. Member for Sutton and Cheam (Mr. Burstow), is present, I wish to tell him that the tone of the response of his leader, the right hon. Member for Sheffield, Hallam (Mr. Clegg), was regrettable. The right hon. Gentleman was not a Member of this House when we debated going into Iraq; many Members on both sides of the House voted against the war but it was a difficult decision—at the time, it was not black and white. The idea that the Conservative and Labour Members who voted for the war were being gung-ho is erroneous, and I think that the right hon. Gentleman might, on reflection, come to regret his tone.

We have in our debate talked about uncertainties in many areas, and I must mention another one. My friend the hon. Member for Hayes and Harlington would have mentioned it, but his speech was limited to 10 minutes. He wanted to discuss Southern Cross, so I shall mention the other issue on his behalf now. We hope to have the decision on Heathrow in January. It has been put off, but many people, not only in our constituencies but across west London, are again thinking this Christmas that next year they will be told that they have to leave their homes and that they have no future in their area.

John McDonnell: They will also be undertaking direct action training, just in case.

Mr. Randall: I will not follow the hon. Gentleman down that line, although, as he knows, I have promised to stand in front of a bulldozer, and despite the entreaties of the right hon. Member for Leicester, East (Keith Vaz), I think that I should bulk up a bit to make sure it is a fair contest.

Yesterday, I was able to have a little go at the Government about the reduction in VAT from the position of being a shop owner—and shop worker, too, in fact—so I will not reiterate why it is not a good idea. At this time of year, we always talk about the emergency services and pay tribute to their staff, which is perfectly right, but we should also pay tribute to shop workers, who will have to go out there from Boxing day onwards. I can say from personal experience that customers at sale time are not always the nicest, and as we are being told on the television to barter, it is actually quite an unpleasant experience and some people get quite aggressive. I pay tribute to all shop workers, and I ask Members, and all our constituents, to bear in mind that the person on the other side of the counter is a human being as well.

However, so that I do not always get accused of being like Scrooge and being miserable and Victor Meldrew-like—although I must admit that I said Scrooge was a disgrace, because he gave in at the end—let me say something on the jolly side of things. I went to a performance of "Hot Mikado" by Bishopshalt school. We all go to lots of such events, and it might be invidious to mention just one, but when we see how well children perform in such school productions—they put everything into them, and give so much joy to themselves and many others—we realise that it is all worth it, and that young people, apart from the tiny minority whom we mostly talk about here in this place, are a great tribute to their own generation.

I have received some wonderful letters from pupils at Highfield primary school, who came to the House on an educational visit. After I had seen them, they wrote to me asking me to come to the school—I cannot quite understand why, but perhaps they thought I look like Father Christmas. Interestingly, some of them said they were interested in hearing about the role of an MP because they want to be an MP. Despite what we hear—the hon. Member for East Dunbartonshire (Jo Swinson) mentioned some wonderful things, but, sadly, I do not even have a link from the luddite website—if we just talk to people about politics it can be made interesting, and that will get them involved.

Finally, I wish everyone a happy Christmas. I wish a happy Christmas to you, Madam Deputy Speaker, to the other Deputy Speakers, to Mr. Speaker, to all the staff and to the civil servants who work in the Opposition Whips Office, who have to put up with us and do so admirably. This is perhaps not following protocol, but I wish a happy Christmas to one person who, more than anyone else, allows me to do my job to the best of my ability. I am talking about my wife, and I thank her.

4.5 pm

Kerry McCarthy (Bristol, East) (Lab): I want to say a few words about welfare reform. I had hoped to deliver this speech during Monday's debate on the Queen's Speech, but after hours of sitting on the Benches, and as the time available got shorter and shorter, it seemed that it would not be possible to do justice to the subject. I suspect that will be the case again today, so I offer just some preliminary thoughts.

What concerns me at the moment is the criticism of the Government's proposals coming from two, probably opposite, sides of the political spectrum. Both have quite a distorted take on what we are doing, and neither helps to take the debate forward. The criticisms do not help the people whom the welfare reform proposals are intended to help. A great deal of scaremongering is going on, and some very vulnerable people could be distressed by it.

The first viewpoint, to which I do not subscribe, says that the Labour Government have, by their support for the welfare state over the past 11 years, fostered a welfare dependency culture in this country. That view states that it has almost become the norm to be unemployed, people can have quite a comfortable life living on benefits and we have bred what I tend to call the Jeremy Kyle generation—other people call it the underclass—whereby people have no ambition or aspiration, and there are inter-generational cycles of poverty and worklessness. That has most recently been thrown into the spotlight by the cases of baby P and Shannon Matthews, where the parents or adults involved have been presented as typical examples of the people who have been bred by that sort of culture.

The other take on our proposals is that the Government have become bullies. People say that we are almost dragging people from their sickbeds, and that we are forcing people who have very serious disabilities and mothers who have just given birth down to the job centre to take on work that might be completely unsuitable with the threat of benefits being taken away if they do not comply. Neither view is helpful, and I shall say a bit more about that in a moment.

The other thing that surprises me is the number of people who seem to regard what the Government have

[Kerry McCarthy]

been saying lately as something of a departure from what we have been doing since we were elected in 1997. It has been said that my right hon. Friend the Member for Birkenhead (Mr. Field) was entrusted with thinking the unthinkable, but the Government subsequently lost their nerve and did not go down that path. These welfare reform proposals are very much a continuation of what we have been trying to do since 1997—helping people to make the transition from welfare into work. It is frustrating to have to reiterate that in this debate, but I wish to reiterate it briefly.

First, our approach is about the financial side of things: ensuring that people would be better off in work, which involves measures such as tax credits and the minimum wage. Secondly, it is about being able to facilitate working, which means making affordable child care available to people, having flexible working so that people can juggle their other responsibilities and giving the necessary personalised support and encouragement to job seekers through things such as the new deal and Jobcentre Plus.

I met Jobcentre Plus staff in Bristol last Friday. We talked in detail about what would really help the welfare reform proposals to work, and we found that it comes down to small things, such as the availability of child care. One of the things that those staff told me—I have been banging on about poor public transport in Bristol ever since I got elected—is that the most important thing for those people, and for lone parents in particular, is how close their jobs are to the schools and their home. People do not want to travel for longer than 20 minutes or half an hour, because when someone is on a tight schedule and they have to drop the kids off at school, go to work for a few hours and then get back to the school gates to pick the kids up or get to the childminders' place, having to use unreliable, expensive buses or having to travel to the other side of the city means that things do not stack up for them.

As we introduce personalised support, it is important to remember that it is not about a back-of-the-envelope calculation that someone would be financially better off back at work, because work has to fit into their lives and be practicable and doable. Otherwise, people will try working, give up and fall foul of the new sanctions regime, and their children will be the ones to suffer.

The Government deserve credit for approaching this issue in terms not only of adults who are already in the system, but of children. We hear a lot about apathetic, good-for-nothing youth, but I have met phenomenal young people in my constituency, and they certainly were not born with silver spoons in their mouths. I was at an awards ceremony in Bristol the other day for young achievers. They do community work and make a real difference to people's lives through their voluntary activity. Part of that is down to changes in the school system. One of my sisters has three children and has just returned from living in Spain. It is amazing to talk to her kids, because they cannot believe that the schools in Kent that they now attend have laptops, interactive whiteboards and independent learning. In Spain, the schools are much like they were when I was at school, with learning by rote, copying things off a blackboard and no stimulation or incentive to take an interest in what is being learned. They have only been back a few months, so the feeling may wear off, but at the moment they are delighted to go to school.

I have many sisters, and I could probably keep the debate going until 6 o'clock talking about various aspects of their lives, but one of them has two sons, one aged 18 and one aged six—quite a gap. She tells me that the difference between when the 18-year-old started school and when the six-year-old started school is phenomenal. She has seen the years of change under this Labour Government, which shows that we have made a real difference and that what we have done is working.

However, we still have a long way to go. I was struck by what one of the Jobcentre Plus staff said to me on Friday. I presented her with a Remploy regional award for her work with people with disabilities—she went on to win the national award, too. Her name is Julia, and she talked to me about people who have been put on the new employment support allowance regime since October. She said:

"Only one of them doesn't want to work—and he will by the time I've finished with him."

That might sound like a threat, but it was not. She knows that people are sometimes very nervous when they come to see her. People think that they cannot possibly work, that their disabilities or illness are too great, that they have not worked for years and that they have no qualifications or skills. She knows that she can work with people like that and, with support, encouragement and the right training courses, she can help to turn their lives around. She is not a box-ticker or a bureaucrat, nor is she interested in forcing people into work just for the sake of saying that she has met her targets, but she is passionately devoted to her work. I met some of her colleagues who are working on the new deal for lone parents, and I was impressed by just how seriously they take their work. They welcome what the Government are doing.

People talk about an underclass. In one way, I am reluctant to dwell on this issue, because the danger is that it distorts the picture of the majority of those on benefits or who rely on the welfare state as a safety net, the vast majority of whom want to work. It is easy to present a stigmatised and stereotypical image of a lone parent, but the truth is that only 2 to 3 per cent. of lone parents are teenagers, and only 15 per cent. have never been married to or lived with the father of their child.

We cannot deny that some families have a multitude of problems and lead dysfunctional and chaotic lives. We need to look at them almost as a separate category, because they will not benefit to such an extent from the new proposals. We have to consider, for example, family intervention projects—we have Sure Start, and the Home Office has a family intervention project. The danger is being accused of interfering too much in people's lives, but when such families have children, the problems can be passed on tenfold, so we have a responsibility to intervene.

The issue is not about judging people by their family structures, which is very wrong. We can talk about whether marriage is the best state in which to bring up children, but we must accept that many people do not grow up in that sort of situation. I do not judge people by whether their parents are married to each other, cohabiting or divorced, or by whether they live with a single parent or stay with their dad at weekends. We

should judge people by their relationships, their parenting, their values and their behaviour. I do not think that the financial levers in the welfare reform Bill are enough. We need to have a good hard look at what else we can do to break the cycle with those people.

I do not think that Karen Matthews is at all typical of the single parents out there. We have to tell people over and over again that she is not typical, because otherwise it will undermine the whole consensus on which the welfare state is built. However, I do not think that we can turn our backs on people like that and just write them off, either.

I just have time to say merry Christmas to everybody, especially you, Madam Deputy Speaker.

4.16 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I am delighted to be able to catch your eye in this debate, Madam Deputy Speaker. Christmas and new year are a good time of year to reflect on what has happened in the last year and to make resolutions for the next year.

This year has been a very mixed year for my constituents and in the few minutes I have available, I want to concentrate on the loss of services in rural areas. Indeed, the Government's own Commission for Rural Communities estimates that about one in five people live in rural areas, of whom half live in small rural towns. It also states that between 2004 and 2007, life in rural areas compared with that in urban areas has declined. Indeed, its director for analysis, Nicola Lloyd, said:

"A decline in rural services such as post offices and shops continues to concern rural communities and this makes life even more difficult for people who are deprived who are often unable to afford to travel to reach the services and support they need."

As my speech will show, it is very difficult for those who are vulnerable and who lack basic services and public transport, particularly elderly people, to live in rural areas.

The demographics in my constituency have been particularly sharp in relation to recent Government policy. The number of young people in the Cotswolds is declining and in that respect the Government's spending on education is particularly worrying. We have a lot of small rural schools and when the local education authority is at the bottom of the expenditure league per pupil, it makes those schools difficult to sustain. Indeed, I think it is very unfair that a child of equivalent family, degree of vulnerability and IQ is substantially disadvantaged in terms of funding from the Government simply because of their postcode. Let me cite the recent figures from the Department for Children, Schools and Families. Spending per pupil for children aged between three and 19 in Hackney in 2005-06, the latest year for which figures are available, was £6,740. In the Cotswolds, the figure was only £3,980. That is almost half. For that to be the case for an equivalent child just because of their postcode is not fair.

That inequity was perpetuated over the past 10 years, because whereas Hackney received a 39.8 per cent. increase over that time, the Cotswolds received only a 36.8 per cent. increase. The inequality was therefore perpetuated and in the recent *Telegraph* league table, published in January, Gloucestershire was cited as 16th out of 149 LEAs. In other words, it was one of the nearest to the bottom. If Gloucestershire were even brought up to the average, that would mean another £200 per pupil. As many of my primary schools have pointed out to me, that £200 would make a huge difference to how they could spend.

In Gloucestershire we are finding—the figures from the Department of Children, Schools and Families prove this—that the number of statements issued in schools has declined over the past 10 years. The number of children with special needs has increased, but more worryingly the increase has come at secondary level. In other words, people who need special assistance and who need statementing are not being picked up at an early enough stage. I have seen several cases recently where parents have tried to get their children special needs help or statementing and have had a huge difficulty in doing so. Even parents with very poor levels of income have had to go and get their own private educational and psychological reports in order to be able to prove their case. I do not think that that is acceptable.

While there are fewer children as a proportion of the population in our constituencies, at the other end of the scale there are more pensioners. One of the scandals in this country is that 1.3 million pensioners do not claim pension credit, and the total loss is £2 billion, or about £13 a week for each pensioner who does not claim. About two thirds of all eligible pensioners claim pension credit and council tax benefit, while almost 90 per cent. of those eligible claim housing benefit. The Department for Work and Pensions needs to look at the matter, as it is unacceptable in our society today that we hide these benefits away. Everyone entitled to them should draw them—that should be what happens.

I turn now to a point made by several hon. Members this morning. In this financial tsunami, as I call it, pensioners and savers are being disadvantaged by the fact that interest rates have fallen to very low levels. I do not want the Government to cite this as an Opposition expenditure pledge, but we should look at introducing special measures for pensioners. For instance, pensioner bonds could be delivered through the Post Office, thus giving pensioners a better deal and providing more work for post offices.

In the short time that I have left, I want to say something about post offices. This year, 12 of the 32 offices in my constituency have closed—a total almost unprecedented in any other constituency—and all the closures were done purely by Government diktat, according to the criteria that had been laid down.

One of the two post office on the outskirts of Cirencester turned over £500,000 in the month of January. It was highly profitable, yet both offices were still closed. Now, 19,000 people all have to get into their cars—or try to use non-existent public transport—to get to the centre of the town. The 21 villages that they live in cover 100 square miles, so the decision to close the two post offices on the outskirts of Cirencester was absolutely crazy.

On behalf of the Conservative party, my hon. Friend the Member for Rutland and Melton (Alan Duncan) welcomed the Government's recent announcement on the Royal Mail. I also welcomed it, but I do not approve of some of the changes that have been made over the past couple of weeks. As I do every year, I visited the sorting office in Cirencester last week to wish my postmen a happy Christmas, but they were a relatively unhappy lot because of the reduction in the amount of overtime

[Mr. Geoffrey Clifton-Brown]

and the higher targets that have been set. I have no problem with those changes, which have been made in the interests of efficiency, but it is unacceptable to introduce them—and thus make people miserable—just before Christmas.

Yesterday, I heard that my Royal Mail sorting office in Wotton-under-Edge is to close. I shall meet representatives of Royal Mail tomorrow but, again, why did the decision have to be announced within a week of Christmas? It only adds to the misery of the people who will lose their jobs, and I hope that Royal Mail will do its level best to find everyone new employment in adjoining sorting offices.

I want to make a few brief remarks about railway services in my area. One piece of good news is that the capacity of the Cotswold line is to be doubled, something for which I have campaigned successfully with my right hon. Friend the Member for Witney (Mr. Cameron). However, although a better economic case can be made for it, there will be no doubling of capacity on the line between Swindon and Kemble. As one of the most cost-effective schemes in the south-west, it would have joined the cities of Swindon, Cheltenham and Gloucester at a cost of only £38 million. Connectivity would have been much improved, and the doubling of that line must be achieved to ensure that Gloucestershire's economic growth and prosperity are to be maintained.

I turn now to the announcement of the Government's U-turn on doctor's dispensary surgeries made by the Minister of State, Department of Health, the hon. Member for Corby (Phil Hope). It is extremely welcome to my constituents but, as my right hon. Friend the Member for West Derbyshire (Mr. McLoughlin) said, people should not have been put through so much anxiety for so long. A further anxiety is that the new super-surgeries will put a number of my small rural doctor's surgeries at risk. Again, I hope that the Government will not keep elderly and vulnerable people in anticipation for too long: if there are to be changes, let us make them quickly, as there is no need to keep people in suspense for months and months.

I hope that the Government will give rural areas very careful consideration. People think that the Cotswolds are rich and rosy, and in many ways they are. It is a superb place to live, but there are 110 villages and 11 market towns in my constituency and there are pockets of vulnerable, elderly and poor people in every one. They need just as much help from their Government as anybody anywhere else in this country.

The hon. Member for Selby (Mr. Grogan) is not in his place. He is chairman of the all-party beer group. I am chairman of the all-party wine group. I hope that everyone will visit their local pub. I wholly endorse that wish. When they go there, I hope that they will make the right choice and have a glass of good red burgundy instead of a glass of beer, but I am sure that the hon. Gentleman and every hon. Member will join me in wishing that everyone drinks responsibly this Christmas.

May I at this point, Madam Deputy Speaker, wish you, Mr. Speaker, the staff of the House and my own staff, who work hard day in, day out to support me, a very merry, happy Christmas and a successful new year?

4.25 pm

Mr. David Amess (Southend, West) (Con): Before the House adjourns for the Christmas recess, I wish to raise many issues. I do not expect the Minister to reply to any of them this afternoon, given the time, but if the appropriate Department could respond by Easter, that would be appreciated.

The debate takes place against the grimmest background that I have ever known. The country is in a mess; the world is in a mess. The British economy is in freefall. I am not sure that it has been appreciated just how serious things are. Without getting involved in an argument about the state of the British economy, let us make it clear that there has been no boom, but certainly there has been bust. How on earth a strategy can be pursued of the country borrowing more and more money, in the hope that that will get us out of the present state of affairs, I do not know. It is ridiculous. Roll on the general election, and let the British people decide. As my right hon. Friend the Leader of the Opposition has said, the Prime Minister underestimates the intelligence of the British people.

My hon. Friend the Member for Uxbridge (Mr. Randall) mentioned the war with Iraq. I will always regret that, on 18 March 2003, I was unwise enough to believe what Tony Blair said about weapons of mass destruction reaching this country and other parts within 45 minutes. I will regret that decision until the day I die. The latest combined estimated bill of £3.7 billion for Iraq and Afghanistan means that the two operations will have cost the taxpayer £13.2 billion over six years. That has not put the British economy in great shape. Approximately 8,100 British troops are now serving in Afghanistan and the Government have not ruled out sending more, despite what they said this afternoon. A total of 311 British soldiers have been killed—242 in action—and sent home in body bags from Iraq and Afghanistan since 2001. This includes 133 in Afghanistan and 178 in Iraq. I know that the Prime Minister told us earlier today that 41 countries have signed up to our involvement in Afghanistan, but I need more convincing about the real objective there. If anyone can come up with a solution to terrorism when people are prepared to take their own life, I would be interested to hear it.

We have just had an election in America. After Mr. Bush, I was not too concerned whether Mr. Obama or Mr. McCain took over; I just thought that whoever won would be better. I have to say that Labour has slavishly followed the American lead since 1997, with dire consequences in this country. Mr. Obama was elected on the basis of change. Well, his front-line team all seem to be Washington insiders—they are not new at all. Now that Mrs. Clinton is going to be gracing the stage in foreign affairs, I want our British Government, whatever party is in power, to put British interests first and no longer follow slavishly the American lead.

Many Members of Parliament will have constituents who have come from Zimbabwe. Their plight is awful. A lady who came to my last surgery told me that she had been raped in Zimbabwe, her husband had been murdered and her children are in South Africa. What can we say to someone in that situation? Another constituent, aged 18, entered the UK in August 2002 and has lived with her mother and sister in Westcliff ever since. Her mother is HIV positive and her father died in 2006. She already has some A and O-levels but she is expected to pay fees

of £11,000 as an international student, yet she is not allowed to work and nor are her mother and sister. I hope that the appropriate Department will come up with a solution for them.

The arrest of my hon. Friend the Member for Ashford (Damian Green) was a disgrace and a stain on the mother of Parliaments. Any free-minded Member of Parliament must not let the matter drop. It is an absolute disgrace. A number of issues concern me about the police in general. I deal with any number of local cases in Essex—quite what the police authority does these days I do not know.

One of my constituents was verbally abused and threatened by two clients at a letting agency. The police did not turn up. The case is with the Independent Police Complaints Commission, where it goes on and on. Another wonderful family in my constituency lives next door to a serving Met police officer. There were all sorts of allegations between the two families, and eventually Essex police arrested my constituent, in front of his family, because he was accused of throwing a stone at a fence. That chap was arrested in front of his family and the local rabbi had to go down to the police station. That case has gone to the IPCC too. It is a wonderful organisation, but cases go on and on and nothing happens. I am dealing with one case that has been with the IPCC for more than four years.

Constituents ask me, "Are we living in a police state?", and I wonder what can be going on when we have had a Labour Government since 1997. When they arrived, they were hostile to the police, but it was funny how the cash for honours issue was dealt with.

A number of colleagues have mentioned the baby P case. Recently, I was talking to Peter Forrest, who was the opposition leader on Haringey council and had a lead role during the Victoria Climbié inquiry. What he told me about what has gone on in Haringey is disgraceful. Recently, on a Channel 4 programme, the Minister for Children, Young People and Families was asked why Ofsted gave Haringey social services a three-star rating just after baby P died. The Minister said that Haringey had deceived Ofsted over the data. Mr. Forrest tells me that exactly the same point was made during the Victoria Climbié inquiry. When I was a member of the Health Committee, we took evidence from Lord Laming and we were told that there would never be another such disaster. Unfortunately, we all know what has happened.

I was privileged to pilot the Warm Homes and Energy Conservation Act 2000, which should eliminate fuel poverty among vulnerable people by 2010 and for everyone by 2016. Recently, I was lobbied by Macmillan, which is concerned about the plight of cancer patients who need help with their heating bills because they cannot work or even move around their homes.

A constituent came to see me who, 28 years ago, had been imprisoned for five years because he was supposed to have witnessed a robbery—why he got five years I do not know. Twenty-eight years on he still cannot get insurance, and I should be grateful if a Department could come back to me with an answer about that issue.

Trinity family centre, which is a wonderful organisation funded by the lottery, helps many people. It has run out of money so any help that can be given would be greatly appreciated.

I am delighted to tell the House that Southend council is doing brilliantly; its star ratings in every area of its responsibility are better than ever. We recently discovered a Saxon site and we should very much like some money from the Government to assist us with a museum there, and if the Government could come up with a solution in respect of the roads that, too, would be greatly appreciated. On planning, I am very disappointed about the pressure put on locally to produce new housing and lovely buildings are then razed to the ground.

Tomorrow, I will be impersonating Father Christmas in Southend, West, but 24 hours before then, I wish everyone a very happy Christmas, good health, peace, prosperity and a much better new year.

4.35 pm

Mark Williams (Ceredigion) (LD): It is a pleasure to follow the hon. Member for Southend, West (Mr. Amess). I shall not go into the finer points of his speech, but we are usually on the same side on human rights in Iran—an issue to which we will return in the new year.

I shall focus my brief comments on employment prospects in my constituency and exemplify some of the points that were made by the hon. Member for Cotswold (Mr. Clifton-Brown) on rurality and some of the challenges that face rural communities. He mentioned the post offices in his constituency. One of my great memories of the past year is the campaign that we fought to save 14 post offices in the Ceredigion constituency. Sadly, we lost that battle. In fact, the Post Office added another one to the list. Thanks to the efforts of my hon. Friend the Member for Brecon and Radnorshire (Mr. Williams), who fought to save one of the post offices in Brecon, we lost another one.

I hoped that we could value the Post Office's claim that weight would be added to the campaign to keep a post office open if it was the last shop in the village. That was the experience of five post offices in Ceredigion: they were the last retail outlets in some of the most scattered rural communities in Wales. Sadly, despite the Post Office's words and the elaborate consultation, it did not accept our argument. I believe that it did not stick to its word, and among the 15 closures, two shops have now gone, very much to the detriment of the communities concerned.

At this time of year, we will not be short of invitations to chapels, churches and school nativity plays. There will be community spirit still in those villages, but no one can say that the spirit of community will be enhanced by the boarding up and the permanent "shut" signs in the windows of those businesses. For those of us who are involved in Post Office consultations, that is a lesson about the value that we can attribute to the words in its criteria documents.

I was prompted to talk about the balance in Ceredigion between the public sector and the private sector by a newspaper article that was brought to my attention. It was published on 1 December in the *Daily Mail*, of all papers, and the headlines were "Welcome to Soviet Britain" and "Figures reveal the Labour heartlands where half the population relies on the state for a job". Ten constituencies were listed and, perhaps to my surprise, Ceredigion featured sixth equal in that list. My constituency is not well known as part of the Labour heartland—nor is that of my hon. Friend the Member for Cambridge (David Howarth)—but it does boast a large number of public sector jobs.

[Mark Williams]

Some 40 per cent. of our work force are employed in the public sector in some manifestation. That is no surprise to Ceredigion. We have the national library, the funding settlement for which sadly means that the doors are often shut at weekends now, rather than open. We have two universities—Aberystwyth and Lampeter. The county council obviously covers a wide rural area—again, with a very difficult funding settlement. Of course, we have the national health service, with hospitals in Aberystwyth, Tregaron and Cardigan. However, to balance the picture, we also have the highest proportion of micro-businesses anywhere in Wales. We have an essential balance between the public and private sectors.

At a time when private sector jobs are being lost, we are also feeling the pinch in the public sector. The announcement of the closure of Her Majesty's Revenue and Customs office in Aberystwyth was a body blow, not least because half way through the consultation, we felt that we had been successful in keeping at least some of the jobs in the compliance section, which was to remain open, albeit with a reduced staff. The expected loss of a further 20 high-skilled jobs at a factory that I visited yesterday—Protherics—in a very rural part of the county at Ffostrasol was a bitter blow. To some people, the loss of 20 jobs may not seem particularly significant, but in a sparsely populated rural area, the effect will be magnified enormously for the local community. On the same day on which those jobs were lost at Protherics, it was announced that hundreds of jobs were lost at Hoover in Merthyr Tydfil. Our sympathy goes out to the people affected.

The point that I want to get across to the House is that rural communities face incredible difficulties. When such decisions are made by people sitting in London or Cardiff—or indeed, in the current climate, in New York or Paris—with their spreadsheets in front of them, do they really understand the implications of some of them for the broader rural community? Ceredigion and West Wales and the Valleys are a convergence funding area—convergence funding follows on from the old objective 1 money—in recognition of the deprived nature of the economy. We are also a Communities First area because of the rural deprivation in many wards across the county.

In the short time available to me, I want to consider the tax office in Aberystwyth. The decision that was taken was a great shock to us in the county. If there is any glimmer of hope—any door that can be pushed open—I hope that the Deputy Leader of the House will pursue it with his colleagues. We are talking about highly skilled jobs that are really needed in the rural economy. I would particularly like to make the Government aware of the disappointment felt by HMRC staff about the advice on possible redeployment offered to them by their personnel department. The impact assessment relating to Crown buildings in Aberystwyth said:

"Opportunities may exist to transfer to other Government Departments and HMRC has a support package of measures, both financial and personal, to facilitate such transfers. Other Government Departments located in the area include"—

we are talking about Ceredigion, in Wales—

"Department for Environment, Food and Rural Affairs...Department for Innovation, Universities and Skills...Department for Transport".

Those Departments do not function in Wales, let alone Ceredigion. Many of my constituents felt insulted by the insensitive way in which they were furnished with a UK-wide document as they heard the news that they were about to lose their jobs.

Of course, any closures are regrettable, but we have real fears for HMRC about future service delivery—fears that may yet be realised. I encourage hon. Members to look at a map of HMRC offices; they will see that HMRC will be void of any presence in Powys, most of rural Carmarthenshire and Ceredigion. The exception is the sparsely manned advice centres. When I had a meeting with the Financial Secretary to the Treasury and his officials, I was told that a couple of outreach workers will cross Offa's Dyke from England to resolve any problems as they arise. That is completely unacceptable.

Mr. Roger Williams (Brecon and Radnorshire) (LD): That comes at a time when the Government are saying that small businesses must be supported. Small businesses get a huge amount of advice and support from HMRC offices, and that will be denied to them in future.

Mark Williams: My hon. Friend is of course right. His constituency of Brecon and Radnorshire, like my constituency of Ceredigion, boasts a huge number of small businesses. They need advice and support to get them through these difficult times.

When I met the Financial Secretary to the Treasury, I was given the distinct impression that one function—the compliance function—would be retained locally. I am keen to find out what changed in the last two or three weeks of the consultation, between our being told that the compliance function was safe in Aberystwyth and that it was to be taken away. Perhaps the Deputy Leader of the House could convey that to the Treasury. On the same day, it was announced that the Merthyr Tydfil HMRC office was to be retained. I do not denigrate that at all; the issue is not whether that office should be retained—of course it should. What causes me concern is that there may well have been some kind of trade-off in the dying days of the consultation, as a result of which my constituents will suffer.

I have one other point to make. It may seem marginal to many, but it is of relevance to my constituency, and it illustrates the feeling that rural constituencies are being left to wither on the vine. It concerns European Community directive 2000/56/EC, which relates to the provision of motorcycle testing centres. Again, if one looks at a map showing motorcycle testing centres post-2009, one finds that there will be no motorcycle testing centres in the whole of Powys and Ceredigion. Anybody in my constituency who wishes to take a motorcycle test—we should remember that they will be learners—will have to travel to Swansea or Shrewsbury, far outside the recommended 45-minute or 20-mile journey. They will have to undertake a 150-mile round trip. It is incumbent on the Driving Standards Agency to look at the matter again.

Broadband has been mentioned. On a brighter note, there is a suggestion that there should be a universal service obligation in broadband provision, and that is to be welcomed. It will certainly be welcomed by Dr. Jenkins and Mrs. Ffrancon of Blaenplwyf in Ceredigion, who will rely desperately on broadband to further their academic and business work.

The electronic identification of sheep is another significant issue affecting the farmers of Ceredigion.

We had a debate on the issue in Westminster Hall, and we got some sympathy from the colleague of the Deputy Leader of the House because of the injustice of the scheme. We have received the support of the Conservative party, the Liberal Democrat party and Plaid Cymru, which are against the scheme. Yet it is still pushing on, with potentially huge financial implications for the farming community across the country.

The story of rural communities is a sorry one; I hope that we can enter 2009 with more optimism. Notwithstanding that, I wish everybody—including you, Mr. Deputy Speaker—a happy Christmas. From Wales we wish everyone Nadolig llawen.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. I should like to try to give everybody the opportunity to speak, so it would be helpful if hon. Members took a little less than the allotted 10 minutes whenever possible.

4.46 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): I shall certainly follow your guidance, Mr. Deputy Speaker. Like my colleagues, I should like to wish everyone, particularly the staff who have been so supportive to me in difficult times, a very merry Christmas and a prosperous new year.

Given that Father Christmas—not necessarily the hon. Member for Southend, West (Mr. Amess)—is due shortly, it is tempting to say what I want for Christmas. I want many things for Christmas. I am grateful for having been called to speak, incidentally, given that I have an Adjournment debate on Sri Lanka after this debate.

I have many aspirations for my constituency. There has been a change to railway timetables on the main line from Brighton through East Croydon to London. The authorities have had the problem of shuffling the pressures on that line. That has been particularly difficult because the Gatwick Express dominates track space while being poorly used, and therefore discriminates significantly against the interests of commuters in south London.

One of the impacts of providing additional priority for rail users south of East Croydon has been a withdrawal of the important service that runs eventually from East Croydon to Crystal Palace. That is because of the removal of services from Smitham to London Bridge, particularly in the day time. There is an irony in the reductions, given that at the same time we have had the upsetting news that the Greater London authority has decided not to progress the extension of the tram link to Crystal Palace. Those two pieces of news are a double blow for Croydon and Crystal Palace.

I suggest that one way of finding the cheapest solution for making provision is to reopen what was platform 7 at Norwood Junction station. That would mean that there was a new turn-back facility for trains, which would be able to go to Crystal Palace and Victoria from Norwood Junction. The railway authorities estimated that that would cost just £10 million. The issue exercises many MPs with constituencies to the north of Croydon, Central. I am grateful for the great deal of support that I have had, particularly from Labour Members of Parliament, on that issue. I am also pleased to work with the Conservative council in Croydon, the Labour party in Croydon, Ken Livingstone and the right hon. Member for Croydon, North (Malcolm Wicks) to campaign to keep the issue of the Croydon tram link very much on the agenda.

I am afraid to say that as a child it was possible for me to dream of the most generous of presents, and I am going to name one or two more that would be appropriate for Croydon before finishing early to allow other Members sufficient time to contribute. If there is to be significant fiscal stimulation through capital spend by the Government, every opportunity should be taken to act not only to improve public sector provision but in an intelligent and stimulating way towards local economies to bring in private sector participation.

For a long time, the key gateway site next to East Croydon station has been undeveloped. That is partly because there were, unfortunately, some foolish approaches by Croydon council, which backed only one developer on its proposal for an arena site, which I am glad to say the Minister concerned decided, with extremely good judgment, not to support, after several appeals. We are left with a site that many people who travel to Gatwick or the south coast will have seen to be completely empty and undeveloped for the past 35 years.

One way in which that site could be developed is through public sector involvement. I would like Croydon's very limited Mayday university hospital site in Thornton Heath, which many residents to the south of Croydon are reluctant to use, to be replaced with a development on the East Croydon site. That would also allow for the provision of appropriate public sector-supported housing for nurses. Many people from across south London could reach that site with a great deal of convenience. At the moment, constituents coming from the east of East Croydon have to use two bus routes to attend that hospital. That is not appropriate for people who are ill or old and frail.

I express a final wish in my remaining 14 seconds. There is a huge bottleneck on the rail system at East Croydon. Ultimately, we need an extra two platforms so that all these capacity issues can be dealt with appropriately.

4.52 pm

Mr. Stewart Jackson (Peterborough) (Con): I am pleased to have the opportunity to raise a very important matter in the House—the worsening security situation in Israel and the Gaza strip. I shall focus particular attention on the plight of Corporal Gilad Shalit, who has been held hostage by the terrorist Hamas movement for two and a half years.

Since Israel's unilateral disengagement from Gaza in August 2005, 5,128 rockets and mortar shells have been fired into southern Israel, and since 2001 24 people have been killed and 620 injured. One hundred and fifty rockets have been launched in the past six weeks alone, and 17 just yesterday, which is despite a truce negotiated through the Egyptian Government that came into effect on 19 June this year. Israel's withdrawal from Gaza was a courageous act based on a desire for a long-term negotiated peace and for the self-determination of the Palestinian people through a viable and secure Palestinian state.

Regrettably, the leaders of Hamas remain wedded to a vile Islamist ideology and the creation of an Islamic state secured by violence and the eradication of the

[Mr. Stewart Jackson]

state of Israel. Since the withdrawal, 150 Hamas operatives have completed so-called training courses in Iran, and 600 have received instruction by Iranian operatives in Syria, which is unacceptable to the international community. Hamas continues to smuggle weapons into Gaza through a vast network of tunnels on the Gaza-Egypt border and to broadcast jihadist propaganda on Hamas TV. Specifically, they refuse to comply with the three Quartet principles, making progress in talks with Israel all but impossible.

I want to revert to the plight of Gilad Shalit. Hon. Members know the cause of the Lebanon war in 2006. Although most people know that the catalyst was Hezbollah's kidnapping of two Israeli soldiers from the Israeli side of the Lebanon-Israel border, it is less well known that Hamas kidnapped an Israeli corporal, Gilad Shalit. At 5.40 am on 25 June 2006, in an attack on the kibbutz Kerem Shalom in Israel, two soldiers were killed, four others were wounded and Corporal Shalit was captured. The terrorists had infiltrated the kibbutz through a tunnel from Rafah. The Hamas leadership authorised and spearheaded the attack, taking full responsibility for the raid and praising the terrorists as heroes of the Palestinian people.

As we know, Hezbollah subsequently murdered the two soldiers in Lebanon. Their bodies were given back to Israel in return for the release of hundreds of Palestinian prisoners, one of whom, Samir Kuntar, a vicious child murderer, was recently given the order of merit by the Syrian regime. I am delighted that the evident disgust of the Minister of State, Foreign and Commonwealth Office, the hon. Member for Harlow (Bill Rammell), comes through in his written answer to me, dated 17 December. I know that Foreign Office Ministers have taken up the matter informally with Syria.

In more than 900 days of captivity, Gilad Shalit has not been allowed visiting rights or even access to any humanitarian organisations. Despite repeated demands from the International Committee of the Red Cross, Hamas has refused him the most basic human rights. Hamas has flagrantly violated every aspect of international law, including humane treatment of its prisoner, his family's right to know of his well-being and permitting humanitarian access.

On 16 June 2006, Shalit's captors offered to release him if Israel agreed to free all female Palestinian prisoners and all prisoners under 18. More recently, Hamas, Egypt and Israel have come to a standstill on the terrorist group's demand for the release of 1,400 Palestinian prisoners in exchange for Shalit. Last week, Israel released 200 from a list of 450 men that Hamas submitted. To date, Israel has freed 450 prisoners in return for the 22-year-old serviceman.

On 25 June 2007, the Israeli human rights organisation, B'Tselem, issued a statement that,

"international humanitarian law absolutely prohibits taking and holding a person by force to compel the enemy to meet certain demands, while threatening to kill or harm the person if the demands are not met".

To assist Corporal Shalit and put pressure on Hamas to grant Red Cross access, parliamentarians throughout Europe are leading campaigns to highlight his case. I pay tribute to my hon. Friend the Member for North-East Bedfordshire (Alistair Burt), my right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot), the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) and the hon. Member for Denton and Reddish (Andrew Gwynne), who yesterday lobbied the Red Cross to ensure that humanitarian access for Gilad Shalit remains high on its agenda.

My hon. Friend the Member for North-East Bedfordshire launched the European-wide initiative at an international conference in November in Paris and has led the campaign with the Red Cross. Hamas is keen to convince the Red Cross that it is a force with which to be negotiated. However, in reality, it behaves barbarically and flagrantly flouts the most basic tenets of international law. Burning effigies of Corporal Shalit and barring even the Red Cross is symbolic of the activities of a terrorist organisation, not a movement that genuinely seeks a just settlement for the Palestinian people.

Indeed, far from trying to make moves towards peace, the Hamas leader in Syria, Kahlid Mashal, has declared that the ceasefire will end on 19 December—in a few days. That means that Israeli towns such as Sderot, which lies just outside Gaza, will again be subject to intense daily missile bombardment.

As we approach Christmas and Chanukah, many people throughout Europe and the middle east are working for the release of Corporal Shalit. By doing that, we hold up a standard for humanitarian and civilised values. The campaigns might help the Red Cross gain the access that this Israeli hostage deserves, and be a small step on the road to achieving a just and peaceful settlement and the goal of an enduring two-state solution in the middle east. I hope that the Deputy Leader of the House encourages his colleagues in the Foreign and Commonwealth Office to continue their efforts.

In the meantime, Mr. Deputy Speaker, I wish you and all the Officers and staff of the House a wonderful and restful Christmas, and a successful and prosperous 2009.

5 pm

Mr. Richard Bacon (South Norfolk) (Con): I wish to raise my concerns over allegations that institutionalised fraud took place at the former Manchester college of arts and technology, better known as MANCAT. Many unanswered questions remain, and I feel that the matter is relevant for two reasons: first, that further education colleges are calling for increased powers of self-regulation; and secondly, that the new Manchester college created by the merger of MANCAT and City college is run largely by former MANCAT senior management.

To recap, allegations were made by several members of staff at MANCAT relating to the falsification of paperwork such as student registers and additional learning support forms, which, it was said, enabled the college to obtain extra money from the further education body, the Learning and Skills Council. Following my last speech on this subject, I submitted written questions on 2 June to the LSC chief executive, Mark Haysom. I was keen to know why MANCAT kept a secondary system of registers, not produced or signed by tutors, on which to base funding claims, but I received no explanation.

One of my main concerns was the wholesale destruction of auditable documents by the college, which thwarted inquiries by the LSC's own investigator into the allegations.

The documents included, among much else, original registers compiled by tutors. I asked Mr. Haysom who was responsible, who authorised the destruction, how long it had been going on, exactly what had been destroyed and why MANCAT had informed auditors that it had kept records for the requisite six years when it had not done so. I also asked whether any sanctions had been taken against MANCAT when it was discovered that the records had been destroyed. I received no answers to those questions. All that I was told by Mr. Haysom was:

"Failure to maintain and keep appropriate records was one of the issues taken very seriously by the LSC in subsequent dialogue with the college aimed at tightening and improving the college's audit systems".

In many spheres of work, destroying auditable documents would merit dismissal from post, but I am not aware of any senior managers at MANCAT having been sacked, nor am I aware of any disciplinary proceedings being taken against them. Indeed, the core of its senior management team, including the principal, Peter Tavernor, and the deputy principal, Barbara Forshaw, now run the new Manchester college, which was formed in August 2008. It is one of the two biggest further education colleges in the country, with an estimated annual turnover of £130 million.

Shortly after my Adjournment debate speech of 22 May, I received a confidential letter from someone working in Manchester's FE sector, telling me:

"It is well worth pursuing your enquiries and a lot of people in Manchester would be greatly heartened by any public enquiry or investigation".

The writer also said:

"There is a great deal of nervousness regarding the forthcoming merger."

Information has come to light about how the new Manchester college is being run, and it gives me cause for concern. One aspect is that several capable former members of MANCAT's administration staff, who left MANCAT years ago and joined City college because they were unhappy about MANCAT's record keeping, have now, following the merger, been made redundant at the new institution and asked to sign confidentiality agreements—better known as gagging clauses—as a condition of receiving the redundancy payments to which they are entitled. It is also my understanding that some of these staff had witnessed malpractice at MANCAT, namely the manipulation of student numbers. Students who had left part-way though a course remained on the database, and the college had continued to claim funding for them throughout the academic year. The Public Accounts Committee has long deplored the use of public money and gagging clauses to prevent people from revealing abuses in the workplace. That approach was routinely used by management at MANCAT to silence potential whistleblowers, which I raised in the Adjournment debate on 22 May. It would appear that this pattern is continuing at the new college.

Moreover, it is my understanding that the acutely sensitive posts of head of student records and head of management information systems at Manchester college are now being run by a husband and wife team with a close personal connection to the principal of the college, Peter Tavernor. It is the job of one or other of those employees to validate and audit data on which funding claims are based. I am not stating there has been impropriety, but surely that arrangement cannot be ideal, bearing in mind that there are so many unanswered questions surrounding Mr Tavernor's former college.

I believe that the public have long been denied the rigorous investigation at MANCAT that they deserve. Mr. Haysom has made it clear that the Learning and Skills Council has no appetite for a further investigation, because the crucial records that constituted potential evidence have been destroyed, and because the events occurred several years ago. All that remains highly relevant, however, not only because the new Manchester college is largely being run by senior MANCAT personnel, but because the FE sector as a whole is calling for further self-regulation.

According to the Association of Colleges website, a system is envisaged that will be

"characterised by a reduction in the regulatory demands placed on providers and single ownership of the regulatory framework facilitated by the single voice".

In so far as that tortuous sentence makes sense at all, I think that it means that it believes that FE colleges should be trusted to run their own affairs without too much scrutiny or interference from outside. It goes on:

"We envisage a self-regulation system in which providers"—

that is to say, colleges—

"become respected and trusted partners of Government by recognising their statutory responsibilities and their accountability for the effective delivery of national policy and the efficient use of public funds".

I particularly note the word "trusted", as trust was conspicuously absent in MANCAT's relationship with its former external auditors, PricewaterhouseCoopers, which was called in to investigate after a former lecturer raised concerns about the manipulation of student registers. Six months after that exercise, PricewaterhouseCoopers resigned, and the PWC partner, Lee Childs wrote to Peter Tavernor, stating:

"Frankly, I do not believe it possible to audit effectively without trust on both sides".

I am aware that MANCAT has always refuted allegations of fraud and malpractice even though detailed allegations of manipulated paperwork surfaced independently from different individuals in unconnected departments. After my last Adjournment debate speech, I received indignant letters from two MANCAT governors claiming that the allegations had always been unsubstantiated. They informed me that since those events the college has had an Ofsted inspection and an LSC review of its financial governance systems with exemplary results and that its maintenance of student records had been described by PricewaterhouseCoopers as a model of good practice.

I have no doubt that much good work has been done at MANCAT, but I am also mindful that in 2002 it had had its previous Ofsted inspection just as allegations began to surface. A grade 1, which is "outstanding", was awarded to the English for speakers of other languages department, but it subsequently emerged in signed statements from several former staff that that department was allegedly riddled with the sort manipulation that I have described.

Several tutors in ESOL and in the department of computer imaging were pressed to alter the registers on which funding was based. One tutor in computer imaging was reported as saying:

[Mr. Richard Bacon]

"If students were absent, we had to mark them with a zero, which meant they did not attend; did not contact college...The student would be withdrawn after three zeros, but I was told not to mark students who ceased to attend with a zero. It was explained to me that if a student were to be withdrawn before a certain benchmark date, the college would lose funding...I was told by a divisional leader to mark a student who had ceased to attend as being off with 'authorised absence' or AA in the register. I was very uneasy about this; I put A, or absent and from then on photocopied my registers each week".

Another former tutor in the ESOL department told of registers being altered after they had been handed into the departmental head, Marina Parha:

"Names unfamiliar to the class teacher had appeared and in some cases existing students had been marked present when they had, in fact, been absent...On showing my own registers to Marina Parha in the first term of the academic year 2001-02, I was asked by her what all the zeros were for. When I explained they indicated student absences, she replied: 'I don't like all those zeros—we'll have to do something about that'. In a subsequent meeting, she told me to change some of the zeros to ticks for a few weeks. I did not argue and neither did I alter my registers."

I refer to what one former ESOL lecturer said in a statement prepared for a colleague who intended to take MANCAT to an employment tribunal for unfair dismissal. The lecturer said that

"in a meeting just before the Ofsted inspection at the end of April 2002... Marina Parha—who was in charge of ESOL at Mancat—announced to the teachers that the department had achieved a student retention rate of 100 per cent."

The statement continues:

"Those present were stunned by what she said—we were, after all, the teachers of the classes and we knew that it was common for students to leave, sometimes without any warning, in the middle of their courses. It was common knowledge in the department that she had amended our registers to create a false impression of student retention."

The former lecturer went on to say that he had been asked by a team leader to

"mark my absent students as present on my class register, in order (so she said) to avoid such absences casting a negative light on my performance as a teacher. I refused to do this."

He described a conversation he had had with a colleague who had been sacked:

"I found out that he had been subjected to pressure into signing misrepresentative documents and had refused to do so. Marina Parha seemed to revel in her ability to deceive. She actually boasted to the teachers in a meeting how she was going to give an incorrect picture to the Ofsted inspector during the inspection".

He then described how Ms Parha said she would do this by carefully selecting files that showed the level of students' work in a good light.

The colleague wrote in a statement that Ms Parha was

"contemptuous about the inspection process at Wednesday evening staff meeting. She was pleased we had only one inspector... who knew absolutely nothing about ESOL."

He then described how Ms Parha told staff she wanted as many groups of students as possible to go out on trips during the week of the inspection, and

"focus his attention on certain classes".

He went on:

"I believe it is legitimate to speculate that the inspector's exposure to the reality of the department was carefully controlled and that he was not given a full picture of the classes, teaching, administration or staff morale within it."

Ms Parha has continued to thrive since her department gained its grade 1: she is now head of department for language support at the Manchester college, but I would suggest that the Ofsted exercise of 2002 gives food for thought about how far such inspections can be relied upon to give a true picture. I also suggest that all those events should make the Secretary of State cautious about granting further education the increased self-regulation that it so strongly desires.

May I wish everyone a happy Christmas.

5.9 pm

John Mason (Glasgow, East) (SNP): I do not think I can speak quite as fast as the hon. Member for South Norfolk (Mr. Bacon). Many subjects have been mentioned in the debate so far. It is an appropriate time of year to talk about the middle east, but I would prefer us to be peacemakers in the middle east, rather than taking one side or the other.

Christmas is a time of good will and an opportunity to thank people, so I take the opportunity of this speech to thank both the Labour party and the Liberal Democrats for introducing the highly successful proportional representation system in Scotland. I am doubly appreciative because we have it both in the Parliament and in the councils, especially in Glasgow. I have to accept that I have been elected under the first-past-the-post system on four occasions out of five, so I have benefited from that system, but I remain convinced that the PR system is much better.

We have to thank Tony Blair and Donald Dewar for introducing PR for the list system for the Scottish Parliament in 1999, which has led to fairer government and greater consensus. The first two terms, of course, were coalition government. PR also opened up the opportunity for minority government. Some had reservations about that in 1999 and 2003 and no one dared try it, but now it has been tried and it works. The First Minister, my right hon. Friend the Member for Banff and Buchan (Mr. Salmond), is to be congratulated on the tremendous success he has made of that.

The second form of proportional representation for which I am grateful is PR by single transferable vote, from which the 32 Scottish local authorities benefit. That was introduced in 2007, thanks largely to the Lib Dems, who insisted on it in 2003. In Glasgow's case that has been a huge improvement. First past the post had latterly been a total failure in Glasgow. In 2003 Labour took 71 of the 79 seats, which is 90 per cent. of the seats on only 47 per cent. of the vote. By contrast, in 2007 that was reduced to 58 per cent. of the seats, even though Labour was still in control. But the system means that representation is much closer to the actual vote and the will of the people.

The advantage of STV is that as well as being more proportional, it maintains the strong councillor-ward link, or potentially the strong MP-constituency link. There are clearly different forms of proportional representation—the list in the Scottish Parliament, and STV in Glasgow city council and elsewhere. STV has the bonus that the public choose both the party and the individual.

It would be good at this time to acknowledge, as I hope all Members of the House would do, the hard work that many councillors do throughout the country. As the Member who has most recently been a councillor, I see the huge amount of work that councillors put in. They often get little support and are not well paid for that work.

Another advantage of proportional representation is that the public prefer us to consider issues on a case-by-case basis. They get fed up with issues being pushed through by one party no matter what. PR encourages more of a shared agenda between parties. It means that we are more likely to get a result that is in tune with public opinion. Minority government takes that even further by making it essential that each individual case is looked at. It depends on how mature the Opposition tend to be. In Scotland we have seen co-operation—with the Conservative party, I must admit, which is perhaps not our expectation—on getting more police on the street. That has been a practical success of PR and STV. We have smaller class sizes—

Mr. Pelling: I endorse the hon. Gentleman's comments and share experience with regard to the London Assembly, which is also elected by proportional representation. That has meant that, rather quixotically but also quite effectively, there has been a dialogue between a broad spectrum of views, including Greens, UKIP, Liberals and Conservatives. Getting politicians to co-operate publicly in that way must be a great endorsement from British politics.

John Mason: Indeed. One of the disappointments that I have had in coming here is that there are no Green politicians in the House. The public are extremely concerned about the environment, yet one party is totally excluded from the House.

Of course, the Government can sometimes be defeated in such circumstances. For example, the proposal for trams in Edinburgh was passed, with the result that fewer schools are now being built in Scotland. However, I urge Members to consider PRSTV at some stage. It might prove to be a big success both here and in another place.

Finally, Mr. Deputy Speaker, I thank you and almost all Members here for giving me, as a new Member, such a warm welcome. I wish you a very merry Christmas and a happy new year.

5.15 pm

Paul Holmes (Chesterfield) (LD): I shall wish everyone a happy Christmas and new year now, because I shall end my speech by talking about the Iraq war, and that may not be the best context in which to wish people a happy Christmas.

A Member who spoke earlier issued an annual invitation to Members to visit her wonderful constituency in Devon. That is a county that I know well and love, but may I invite Members to take a Christmas and new year break in my constituency? If they want outdoor activity, Chesterfield is a great base. Two or three miles down the road is the fantastic Derbyshire Peak district. People can walk on the moors, uplands and lowlands, where the scenery is absolutely beautiful. They can visit Chatsworth house, or, a couple of miles in the other direction, Bolsover castle, Hardwick hall and the National Trust's Clumber park. Those are wonderful attractions, but there is also a great deal to be seen in Chesterfield itself. People can enjoy themselves and work off the Christmas pudding and the mince pies.

When I first lived in Chesterfield in 1979, the Chesterfield canal was a stagnant, overgrown ditch, but volunteers have renovated it, and it is now a linear green lung. It is possible to follow it from the centre of Chesterfield into the countryside. It is widely used by birdwatchers, fishers, walkers, cyclists and canal enthusiasts. The Barrow Hill engine shed is not technically in my constituency, being just over the border in the constituency of North-East Derbyshire, but it is effectively part of Chesterfield. It is one of the few working roundhouses that survive from the great steam train age, and is a very popular tourist attraction.

In 1688, the Revolution House at Old Whittington was a small pub at the edge of a little hamlet up on the moors. That is why the Duke of Devonshire and others from across Yorkshire and Nottinghamshire who were plotting a treasonable act—the overthrow of the King in the glorious revolution of 1688—met there to plot in secret, away from prying eyes.

Chesterfield has a wonderful old town centre with a large open-air market, which is the focal point of the town and brings in a large number of shoppers, tourists and other visitors. At one end is the parish church, the "Crooked Spire". Many Members will have seen it when travelling from one end of England to the other on the midland main line. It has a crooked corkscrew spire which both twists and leans to one side. There are seven such spires in Europe, but Chesterfield's is the one that twists and leans the most. It is a great tourist attraction: people come from throughout Europe, and even from America, specifically to see the church and the spire.

One of the advantages of visiting Chesterfield at Christmas is the opportunity to see the Christmas lights. That brings me to a key point. Year after year, the borough council invests more money in expanding and improving the lights. Apart from putting out the Christmas message, brightening up the midwinter scene and helping people to enjoy themselves, they attract visitors to Chesterfield's wonderful town centre with its large open-air market. That brings in people who spend money and create jobs in the shops and on the market stalls.

Unfortunately, the Labour councillors—there are a few left in Chesterfield—do not understand. They consider investing money in Christmas lights to be a strange thing to do, although it creates jobs and brings in visitors. When the Liberal Democrats took over the council in 2003, they built a new coach station which the previous council had refused point-blank even to consider. That bus station was absolutely dire. At one stage, it featured in the national press as the worst in the United Kingdom. It was such an eyesore. The Liberal Democrats built a new station, and now there are coaches. When the Christmas lights were switched on one Sunday a few weeks ago, coaches came from places as far away and as varied as Walsall and Lowestoft, each of them bringing 40 or 45 visitors to spend the day, see the lights turned on, and spend money at the market and in the pubs and restaurants in the town centre. It is all part of job creation and making the town vibrant.

[Paul Holmes]

The number of lettings at the market has increased this year, while most open-air markets around the country are suffering badly. As a member of the all-party parliamentary group on markets, I hear from people all over the country that open-air markets are suffering as a result of competition from shops, stores such as Primark, out-of-town shopping centres and massive car boot sales. For the first time in some years, however, the number of stall lettings at Chesterfield market has increased. The shops in Chesterfield have a 4 per cent. vacancy rate, compared to the English average of 10 per cent. They are doing very well. A recent university survey marked out Chesterfield as one of the fastest growing and improving economies in England.

All of this brings me on to the problems local councils face when trying to invigorate and renovate their economies. They know what is most needed and wanted locally, and they are best placed to take that action, but they are often handicapped by the Government and the funding streams that the Government control. At yesterday's Prime Minister's Question Time there was a question about a council that had turned down an offer of free swimming for under-16s and pensioners. How could it be so callous as to turn down this free offer from the Government? Many councils have done that—although not Chesterfield—because the Government have, of course, not funded it. They have given out this wonderful initiative, but they have not provided all the money. Chesterfield is providing that free swimming, but it is costing us £50,000 of council tax payers' money to cover the shortfall in Government funding. That is 1.2 per cent. on council tax for Chesterfield, which is a small council. Also, this year and next year there will be the 3 per cent. Gershon efficiency savings, and next year—2009-10— there will be a 0.6 per cent. grant settlement from the Government, who provide 75 per cent. of council money; that is well below the inflation rate. Therefore, there will be more cuts. The year after that, the settlement will be 0.2 per cent. so there will be more cuts again.

The council has to meet those settlements, but Chesterfield does so very well, as it is a well-run council. It was, in fact, on course to start expanding some services next year with the money it had set aside, but then we got the concessionary bus fares fiasco. At the start of this year, councils across the country said, "The Government are not providing enough money for this wonderful new national scheme." In Chesterfield, the guesstimate was that it would be down by about £300,000. The figures have now come in from Derbyshire county council, which is administering the scheme, and Chesterfield is expected to put in about £1.8 million to bail out the Government's scheme. As I have said, Chesterfield is a small council, and that sum amounts to 11 per cent. of its average revenue budget. It cannot afford that; it is impossible. That will devastate the council's finances. The options are to either put 36 per cent. on council tax or slash services by 11 per cent. This is happening all over the country, but according to Local Government Association figures, Chesterfield is the worst hit council in the country; Exeter and Cambridge, with a proportion of 8 per cent. of annual revenue, are the next two worst hit. The Government must backtrack on this and provide the proper funding for their scheme, as they introduced it.

I became increasingly angry while listening to the contributions on the statement on Iraq earlier this afternoon, because Members seemed to be reinventing history. Both Labour and Conservative Members said we could forget the illegal invasion, the 300,000 civilian deaths, the breeding ground for terrorism that has been created when terrorists were not operating in Iraq before, the wrecked economy over the past five years in Iraq and the destabilisation of the Arab world, because we had had regime change, which made it okay. Iraq was never about regime change, however; that was explicitly stated by the then Prime Minister. For example, on the radio on 18 November 2002, the then Prime Minister, Tony Blair, said:

"I have got no doubt that the purpose of our challenge...is disarmament of weapons of mass destruction. It is not regime change".

On 30 November, he made the same basic point:

"It is solely because of the threat"

from weapons of mass destruction that Saddam Hussein poses,

"and for this reason alone",

not regime change.

On 25 February 2003, the then Prime Minister said in this Chamber:

"I detest his regime...but even now, he could save it by complying"—[*Official Report*, 25 February 2003; Vol. 400, c. 124]—

with the demand for disarmament of weapons of mass destruction, which did not exist, as we all know, and as some of us could see was the case even before the illegal invasion.

The then Prime Minister said on three occasions that it was not about regime change. Regime change is illegal under international law. If we have really adopted this policy of regime change, when are we invading Zimbabwe or Burma, or China to get it out of Tibet? This is nonsense; the Government know it is not a policy. It was just a fig leaf to disguise the fact that we were taken into an illegal war under totally false pretences and pretexts. As a citizen, I joined the 1 million other citizens, along with my youngest daughter, who was 10, to walk past the Palace of Westminster in protest at the illegal invasion that everyone could see was coming. As an MP, I took part in our process and voted against that war.

One or two Conservative MPs have said, both following the statement and during this debate, that we should not be criticising what happened and that we should forget all that. I remember the wall of sound that came across from the Government Benches attacking us because we were opposed to the war, but I remember even more the comments that came from some Members on the Conservative Benches to my right; they were shouting about cowardice, offering white feathers, and displaying jingoism and bombast of the worst kind. As a citizen who took part in that million-person march and who voted against the war in this Chamber, I think it is unacceptable that in this afternoon's statement about pulling out British troops we did not get a statement about an open inquiry into the disastrous illegal decision to invade Iraq.

5.25 pm

Mr. Eric Joyce (Falkirk) (Lab): I thank the hon. Member for Glasgow, East (John Mason) for making a short speech and giving me the chance to contribute for a few minutes.

I simply wish to say a few words about UN resolution 1843 on the Democratic Republic of the Congo, to which the UK Government signed up one month ago. It resolves to increase the size of the United Nations mission in the Democratic Republic of the Congo from 17,000 to 20,000. MONUC is run by a UK citizen, Alan Doss. It was argued very strongly by the UN that there was a requirement to increase the number of troops—although 17,000 personnel are in the DRC, it is a very large country—in view of the latest phase of a civil war that is going on between two groups, the CNDP, which some people think is helped by some Rwandan citizens, and the FDLR. The FARDC, the Congolese Government troops, who are deeply ineffectual, are also involved.

The UN has deployed to do what it can in that situation, and the UN Security Council has agreed that extra troops are required. The assessment was that it would take two months to deploy the UN's troops in the DRC, once it had found who was actually going to send 3,000 troops there. I understand that the realistic assessment now is that it will take six months to deploy them. Everyone agrees that this is an enormously urgent situation, because raping, looting and pillaging are occurring. Although a ceasefire is technically in place between the FARDC and the CNDP, the two protagonist groups—the FARDC is made up of the Government troops, but there are issues to address associated with the behaviour of all the troops involved—a great deal of fighting is still going on between groups such as the Mai-Mai and the CNDP. The civilians get caught in the crossfire and they also get targeted deliberately. Two little girls, one aged five and the other seven, were shot dead a few days ago inside a UN camp, and a series of rapes took place just outside it—rapes are used in the DRC as a weapon of war.

May I quote two sentences from the Security Council meeting on Monday? The record states that the UK contribution

"stressed the importance of the earliest possible deployment of the 3,000 additional personnel, as mandated by resolution 1843…however, the target of two months was a bit 'too leisurely'."

We were saying that the deployment was taking too long. We stressed the fact that we were able to deploy much more quickly in the relatively recent case of the Lebanon. We are also told:

"The United Kingdom stood ready to find…troop-contributing countries, to help deployments, and it stood ready to contribute both equipment and personnel, notably on the command and intelligence sides."

The Foreign Secretary went straight out to the DRC with the French Foreign Secretary, and Lord Malloch-Brown has worked tirelessly to do something about this situation, but the fact is that, at the moment, resolution 1843 is just a piece of paper, and nothing is happening in respect of it. I do not blame any particular country, although some countries are more reluctant to contribute than others, and I certainly do not blame the UK Government, but the reality is that the totality of the effort on resolution 1843 is that nothing is happening.

Mindful of that, Ban Ki-moon, the Secretary-General, has asked for an EU force to deploy to fill the gap. It is very difficult for the UK to deploy troops, because we have heavy commitments in Afghanistan, but it is equally difficult to see, at the moment, where any other countries are going to contribute any other troops. If the UK were to contribute a proportion, there would be a risk that it would end up taking on the whole task. That is the fundamental sticking point from the UK's point of view. Some countries that would like to do something cannot because they cannot secure the agreement of all the other European countries. There are historical difficulties in respect of the involvement in the region of countries such as France and Belgium, but I believe that Belgium in particular would be prepared to deploy troops to plug that gap.

Those who know the situation there know that Goma needs to be properly stabilised. At the moment, the CNDP and General Nkunda, who commands it, could take Goma if they wished. That would be a grievous blow to the DRC and it would threaten its integrity as a country, and it would be a grievous blow to the UN. We desperately need to respect UN resolution 1843 and, in the meantime, an EU force will probably need to be involved. At the moment, it appears that although we are saying that this is terribly urgent, because all over the place women are being raped and children are being murdered, the international community is doing literally nothing at all about resolution 1843. We really must get a grip of the situation.

5.29 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): May I join in with the plaudits for the Deputy Leader of the House, and wish him well on his first outing at an Adjournment debate? Given the quality of the praise given to him, I hope that he does not feel too much pressure. In any event, I am sure that he will rise to the occasion as he always does.

We started with a knowledgeable and thoughtful contribution from the hon. Member for Sheffield, Heeley (Meg Munn). It clearly reflected her experience before she entered the Commons, when she worked in the social services arena. She referred to the tragedy of baby P, and we all agree that the challenge is to try to minimise risk to children. Sadly, we may have to contend with the fact that we may never be able to prevent such tragedies completely.

The hon. Member for Sutton and Cheam (Mr. Burstow) followed, and I disagreed with some of his comments. He said that Members were off for a long holiday, but most of us take the view that being in Parliament is part of our duties and we will be doing a lot of work in our constituencies. Although I appreciate that his party will put out a "holier than thou" press release saying that he is against this long break, I wish him a happy holiday in his constituency, while the rest of us are working in ours.

The hon. Member for Weaver Vale (Mr. Hall) referred to a disagreement that he had with the late Gwyneth Dunwoody. I remember it well, as I was sitting here wondering how to address the argument that was going on. I give him all credit for having the courage to concede that he was wrong. I am sure that Gwyneth would have been very proud of him.

[Mr. Shailesh Vara]

My right hon. Friend the Member for West Derbyshire (Mr. McLoughlin) delivered a typically powerful speech and his constituents can rest assured that they have a strong voice in this Chamber. He rightly criticised the disgraceful delay in making a final announcement on Post Office card accounts. There are still some questions that need to be answered about the millions of pounds that were squandered on the whole process, and indeed the millions of pounds that were paid to all those who put in bids but got nowhere with them.

My right hon. Friend also highlighted the importance of the spoken word and integrity, when he recalled the Prime Minister's promise, made at the Dispatch Box, of a statement on Equitable Life before Christmas. The Prime Minister has failed to provide an explanation of why that will not happen, and nor has he apologised for promising something that has not been delivered. My right hon. Friend asked a straightforward question—why the delay—and I hope that the Deputy Leader of the House will answer it.

The hon. Member for Selby (Mr. Grogan) made an impassioned plea that when President-elect Obama visits the United Kingdom, he visits a pub. The hon. Gentleman is chairman of the all-party beer group, and I hope that he will bear in mind the rest of its members and that we will all be invited along to drinks with President Obama, as he will then be. May I just point out that my constituency has several excellent pubs which would be happy to host the President?

My hon. Friend the Member for Isle of Wight (Mr. Turner) raised several points, including some serious concerns about the local bailiff service. I was concerned to hear about the job application of one of his constituents. My hon. Friend raised some important questions about funding and the Ministry of Justice, and I hope that answers will be forthcoming.

The right hon. Member for Leicester, East (Keith Vaz) described himself as a "usual suspect" and, as usual, he raised several issues. In particular, he made a plea for greater awareness for diabetes, and he certainly put that on the record today. I hope that his efforts in raising that awareness will have received a big boost from his contribution today.

My right hon. Friend the Member for Bracknell (Mr. Mackay) raised a number of serious points about the arrest of my hon. Friend the Member for Ashford (Damian Green). My right hon. Friend rightly questioned the role of some senior Ministers, particularly the Home Secretary, and expressed considerable regret at the fact that the Speaker had proposed a Speaker's Committee that was subsequently hijacked by the Government, who put forward their own version of the Speaker's Committee. The two certainly did not match. A number of questions remain unanswered. May I point out to the Deputy Leader of the House that if he and his Government feel that the issue will simply stay in the long grass, we hope that it will not and we will persist until we get those answers?

The hon. Member for Cleethorpes (Shona McIsaac) brought the reality of war to our debate when she mentioned the death of Lance Corporal Mathew Ford. She asked if his mother would be able to meet some of the relevant Ministers. I hope that the Deputy Leader of the House will have taken that on board and will facilitate some of those meetings. Having visited Afghanistan very recently, I also take this opportunity to pay tribute to our brave men and women who, while the rest of us are enjoying festivities over this Christmas period, will be doing anything but.

I wish my hon. Friend the Member for Tiverton and Honiton (Angela Browning) well in trying to overcome the traffic difficulties associated with Cullompton in her constituency. I hope that the Government will have heard her words about the difficulty that many people are having with the income that they rely on from interest on their savings. The Government will have heard her message about the dependency that many elderly people have on interest derived from savings, which, as we know, is increasingly declining.

Deep discontent with his local railway line was all too clear when we heard the hon. Member for Norwich, North (Dr. Gibson). However, he went on to suggest the nationalisation of the railway industry. As far as I am aware, that was not in the Queen's Speech, but perhaps the Deputy Leader of the House would like to confirm that we have not just had a Labour Back Bencher giving us a Christmas leak of some sort.

It is not often that I find myself in agreement with a Lib Dem Member, but the hon. Member for East Dunbartonshire (Jo Swinson) will have had considerable sympathy from many Members when she spoke about the misery of some of her constituents in dealing with the tax credit system.

I am sure that the House will have been appalled to hear about the treatment in Southern Cross residential care homes, as mentioned by the hon. Member for Hayes and Harlington (John McDonnell). I wish the hon. Gentleman and my hon. Friend the Member for Uxbridge (Mr. Randall) well in trying to get urgent redress for those elderly people who are suffering. I also hope that the strong message that my hon. Friend tried to convey to the chief executive of Hillingdon hospital will have been heard. On behalf of us all, I wish my hon. Friend's mother well, as I know that she has recently been unwell.

The hon. Member for Bristol, East (Kerry McCarthy) threatened to talk at length about her sisters and their lives but thought better of it. She spoke, however, in more serious terms when she referred to the underclass in our society, which is something that has been in the media a lot recently. I hope that she will agree with the hard work that has been put in by my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) and the Centre for Social Justice, with which he has been working so diligently.

My hon. Friend the Member for Cotswold (Mr. Clifton-Brown) and the hon. Member for Ceredigion (Mark Williams) spoke, rightly, of the numerous problems facing those who live in rural areas. That is an ongoing issue and those of us who have rural constituencies will have much sympathy with what they had to say.

As always, my hon. Friend the Member for Southend, West (Mr. Amess) raised a number of issues. He was absolutely right to point out the dire straits that our economy is in as well as the tragedy of Zimbabwe.

The hon. Member for Croydon, Central (Mr. Pelling) spoke of the need for another platform at East Croydon railway station. I think that he will agree that that is a cause that will not be won easily, but I wish him well in his campaign.

My neighbour, my hon. Friend the Member for Peterborough (Mr. Jackson), spoke of the appalling circumstances of the kidnap of Corporal Gilad Shalit by Hamas. He has been in captivity now for some 900 days, and I have much sympathy with all that my hon. Friend said. Indeed, when I was successful in securing a debate in Westminster Hall, I too raised the tragedy of Corporal Shalit's kidnap. I wish the campaign well, as it is certainly very inhumane for people like him, and the many others in captivity, to be treated in that way.

My hon. Friend the Member for South Norfolk (Mr. Bacon) spoke again about the difficulties that have arisen with one of his local colleges. I recall that it was not so long ago that he spoke in similar vein in an Adjournment debate, and I am sorry that not much progress has been made. All I can do is wish him success in his next Adjournment debate, and I hope that the fact that he has mentioned the matter today will prompt those in authority to take proper notice.

The hon. Member for Glasgow, East (John Mason) is a relatively new Member of the House, and I welcome him as such, but I disagree with his support for proportional representation. Under that system, political parties are elected on the manifestos that they set out, but afterwards they hide behind closed doors. They then produce new deals on which the public have had no say, but that is the form of Government that the hon. Gentleman seems to prefer. In addition, PR tends to give minority parties greater credibility and an amount of power disproportionate to what they deserve. That is probably one reason why such parties are always banging on about it.

There was a festive flavour to the contribution from the hon. Member for Chesterfield (Paul Holmes), who told us about excellent Christmas lights in his constituency. He said that they bring people in who then support the local economy by visiting pubs, restaurants and the like. He is certainly proving to be a good advocate for his local tourist industry.

The hon. Member for Falkirk (Mr. Joyce) raised serious issues concerning United Nations resolution 1843, and he spoke of the need for nations to work together. As we all know, conflict overseas is bad enough without the additional difficulty of trying to get many countries to work together to deal with it. Again, his contribution served to remind us of all the tragedies taking place around the world at this Christmas period.

Finally, Mr. Deputy Speaker, may I take this opportunity to wish you and all hon. and right hon. Members a very happy Christmas? I should like to extend the same good wishes to all Clerks and House staff, as well as to all the cleaners, caterers and security personnel who make our lives so easy and thereby enable us to serve our constituents. I wish everyone in the House a happy Christmas and a prosperous and successful new year.

5.42 pm

The Deputy Leader of the House of Commons (Chris Bryant): My predecessor warned me that these debates were slightly odd events, to put it mildly. I have taken part in many European affairs debates, and I have likened them to an episode of "Dad's Army", with people constantly saying, "They don't like it up 'em, you know!" However, today's debate reminded me rather more of an episode of "'Allo 'Allo!", as I shall explain.

For instance, we certainly have Colonel von Strohm—the seemingly very bluff but actually extremely bright man who organises everything—and that would definitely be the hon. Member for Uxbridge (Mr. Randall). We also have Herr Flick, who is constantly scheming and a great enforcer of discipline, and I think that that is my right hon. Friend the Member for Warley (Mr. Spellar). We certainly have Lieutenant Gruber, in the person of the extremely dapper, precise and keen-to-please right hon. Member for Bracknell (Mr. Mackay). Unfortunately, he is not in his place at the moment, for which absence he has offered his apologies. Above all, we have General von Klinkerhoffen, the heavyweight with the warm heart who is much nicer than his politics—definitely the right hon. Member for West Derbyshire (Mr. McLoughlin).

Everyone has been wonderfully eloquent today so the debate lacked Officer Crabtree, the man who gets all his words wrong, but that role would probably fall to the leader of the Liberal Democrats, who sadly has not been able to take part in the debate. We have not had a Helga or a von Smallhausen, and we certainly have not had a Louise of the resistance, because she would say something only once. However, we have had Madam Edith, who invites everyone into her café and then warbles away to them eloquently. That is the hon. Member for Tiverton and Honiton (Angela Browning). *[Interruption.]* I did not hear what the hon. Lady just shouted at me.

Angela Browning: I am very grateful that I was not cast as Grandma.

Chris Bryant: Well, I think she used to get rather worried about the knobs at the end of her bed.

We started off with my hon. Friend the Member for Sheffield, Heeley (Meg Munn), a close friend of mine ever since we were elected in 2001. She made an important speech about child protection—an issue that has exercised the whole of the country in the past few weeks and months, with specific cases that we all know about. She spoke from her personal experience very effectively.

We then moved on to the speech of the hon. Member for Sutton and Cheam (Mr. Burstow). It was a bit of a PR puff for his council, which of course he used to sit on. Before that, I think he used to work for Kall Kwik, which doubtless has been useful in the production of constant "Focus" leaflets. His speech had a little bit of the ring of the "Focus" leaflet to it, but I would not want to doubt his word as I do every "Focus" leaflet I have ever seen in my life.

My hon. Friend the Member for Weaver Vale (Mr. Hall) asserted that Gwyneth Dunwoody was always right. This was difficult to disagree with when she was physically here, but now that she is not, I have to say that I did not always agree with her. But my hon. Friend made some important points, notably about water charges for charities. I am prepared to make sure that the meeting to which he referred takes place.

My hon. Friend also referred to the measles outbreak. There are important lessons to learn about the rise in the number of measles outbreaks. Much of the scaremongering of a few years ago about the MMR vaccine has receded. Measles is a serious illness that can cause complications such as meningitis and encephalitis,

[Chris Bryant]

and on rare occasions it can kill. So it is important that all parents take the opportunity that is offered to them by the health service.

General von Klinkerhoffen then made his speech: the right hon. Member for West Derbyshire referred at some length to rural issues, but I recognise many of the issues that he said were rural issues from my constituency of Rhondda, where the population is highly concentrated. Many of the same issues arise, such as what is happening with post offices, the local economy and pubs and the provision of broadband.

The right hon. Gentleman, like many hon. Members, asked why we had not yet had a statement on Equitable Life. I know from my own constituency that the issue exercises a large number of people. As it happens, I took a loss myself. It is important that the Government get this right and do not rush into action. I know that the Prime Minister said he wanted there to be a statement by Christmas, and I believe that he believed it was going to be possible at that time. I do not think hon. Members need to imagine that some nefarious plotting is going on; it is simply that we want to make sure that we get this right—and the right hon. Gentleman can take that face off.

The right hon. Gentleman also referred to the takeover of Derbyshire building society by the Nationwide and the issues related to the Isle of Man. I have constituents who have lost money in the Isle of Man. There are difficulties here because the arrangements for depositors in banks in the Isle of Man and Guernsey are a matter for the Governments of those islands. We do not have plans to issue a statement, but deposits with Kaupthing Singer and Friedlander of the Isle of Man will be subject to the Isle of Man deposit compensation scheme.

The right hon. Gentleman also talked about people who did the right thing and saved up throughout their life yet find themselves penalised at the end. This is one of the toughest issues for any Government who want to treat people fairly. How do we make sure that those people who have set a bit aside do not get penalised? I believe that what we have done in the past few years, by making sure that the increased prosperity of this country has been shared out among all pensioners, regardless of whether they are rich or poor, through the winter fuel payment and the pension credit, has gone some way towards that, but there is further that we could go.

My hon. Friend the Member for Selby (Mr. Grogan) revealed that he thinks 58 hours spent with his family over Christmas is far too long, and that the trains should be got going a little earlier so that he can escape them. I think that was the gist of his speech. He made an important point about the role of ITV. When it comes to Ofcom's final report in the new year, many hon. Members will want an opportunity to raise related issues. To have a single, monopoly broadcaster as the voice of our country, especially in news broadcasting and current affairs, would be highly detrimental to the democratic and social welfare of the country. My hon. Friend also referred to racing. As he knows, it is for the racing fraternity to decide how to allocate rights and for the broadcasters to decide what they show over Christmas.

The hon. Member for Isle of Wight (Mr. Turner) raised a series of issues, including one about planning. I have learned one thing in life, which is to try never to get involved in a planning or a parking issue, but the hon. Gentleman raised two issues on which I hope I shall be able to help him. The first was about the bailiff service for the Isle of Wight—he may have said "bailie", but I think the word is "bailiff". He asked questions about funding from the Ministry of Defence, and I shall follow them up and make sure he gets a proper answer as soon as possible.

The hon. Gentleman also spoke about the fallen stock collection service on the Isle of Wight and made various suggestions about how it might be addressed. I shall take up those issues with the Department for Environment, Food and Rural Affairs on his behalf.

My right hon. Friend the Member for Leicester, East (Keith Vaz) made an important point about preventive medicine and referred to his type 2 diabetes and to the sweet nature of Christmas. He does not want the health service to deal with people only after they have contracted an illness, but to try to prevent them from contracting illnesses. He urged Members to take the type 2 diabetes test. I ran the London marathon this year for something that affects many men—the men's cancers, from which many still die, in particular prostate cancer. It is important that all men aged over 50 take the proper tests.

My right hon. Friend also spoke about mobile phone masts. When I worked at the BBC, we found that that issue was nothing by comparison with those related to television masts, yet we rarely hear complaints about them.

The right hon. Member for Bracknell is no longer in the Chamber, but he made his apologies earlier. He spoke about the hon. Member for Ashford (Damian Green), and raised the issue of whether there should be a reference to the Standards and Privileges Committee. As I am sure he knows, that is a matter solely for the Speaker so I do not want to intrude.

My hon. Friend the Member for Cleethorpes (Shona McIsaac) said that trawler men would be getting compensation. We are tidying up that issue for the relatively small number of people who have received no compensation and I am glad that Ministers in the Department for Business, Enterprise and Regulatory Reform have been able to make progress on that. Then my hon. Friend started talking rubbish—the confusion over rubbish collection in the constituency next door to hers.

The hon. Member for Tiverton and Honiton—or Dame Edith, as we now know her—spoke about the spatial plan. She was most distrustful of regional development bodies—[Hon. Members: "Hear, hear."] All right. All I can say to the hon. Lady and to all Members who just said, "Hear, hear" is that I look forward to their applications to sit on regional Select Committees. Even if they voted against them, we should be absolutely delighted to see them on those Committees so that they can bring a degree of accountability to regional development bodies.

I heard what the hon. Lady said about the Gas Act 1986 and I shall make sure that she has an answer. There was another issue, which I have forgotten, but I shall seek an answer for her about that too.

My hon. Friend the Member for Norwich, North (Dr. Gibson) made an important speech, I think—although obviously I disagreed with him somewhat about renationalising the railways. He made an important

point about social and human investment—*[Interruption.]* Oh, he is not in the Chamber—I shall not talk about that point at length then.

I am afraid that the hon. Member for East Dunbartonshire (Jo Swinson) talked a whole load of rubbish about tax credits. My experience is that one of the things that has rescued more people from poverty in some of the poorest families in the poorest communities in my constituency is the system of tax credits, which has also made it possible for many families to get into work. Yes, there have been difficult moments, when sometimes the scheme has not been as generous as it might be, but the hon. Lady talked down the scheme in an unfortunate way.

The hon. Lady said something sensible about "Free our Bills", however. We want to ensure that the changes happen so that our presentation of legislation in the House is easier for Members to understand, in particular online so that they can research properly before they go into Committee. The changes will ensure, too, that all members of the public have a clearer insight into what we do in this place. That is why I am working very closely with the House authorities to ensure that we publish online in a way that is easier for the public.

My hon. Friend the Member for Hayes and Harlington (John McDonnell) made a very important speech about the abuse of the elderly. In particular, he told us some horrific tales of problems with Southern Cross in his constituency. I will ensure that the meeting that he was seeking happens and that my right hon. Friend the Secretary of State for Health replies.

The hon. Member for Uxbridge, from the shop workers' union, USDAW—actually, I do not know whether he is unionised—paid a tribute to shop workers. He was right to point out that we often talk about the armed forces, the police, the security services and people in the health service and so on working through Christmas, but my first job was in a rather "Are You Being Served?" store in Cheltenham—*[Interruption.]* I know where hon. Members are going with that, so I shall say no more about it. He also said that he was quite prepared, in support of my hon. Friend the Member for Hayes and Harlington, to stand in front of a bulldozer, and I suspect that he would win. We all pass on our regards to his mother and hope that she is getting better.

My hon. Friend the Member for Bristol, East (Kerry McCarthy) made a very important speech about welfare reform and pointed out that Karen Matthews is not typical. Labour Members believe it is absolutely vital in the poorest communities in this country that we have a welfare system that does not keep people in poverty, but gives them opportunities in life, and that does not keep them on benefits, but gives them an opportunity to work. That is why, particularly in single-parent families, the opportunity to work is a really important thing that we need to advance as a socialist cause.

The hon. Member for Cotswold (Mr. Clifton-Brown) spoke of pensioners and how many of them do not claim all their benefits—he has moved seats, which is unfair—and he makes a very good point. It is incumbent on us to ensure that we do better at that. However, he also urged the House to drink Burgundy, which seemed a rather unpatriotic thing for us all to do at Christmas. There are perfectly good English wines and, indeed, some wonderful Welsh wines—such as Cariad—so I hope that he will desist from doing so.

The hon. Member for Southend, West (Mr. Amess) said that he did not want me to reply to any of the issues that he raised, so I am not going to.

The hon. Member for Ceredigion (Mark Williams) raised the issue of HMRC jobs in Wales. He makes a fair point, which I will pass on to Ministers, and I hope that they will have an opportunity to reply to him.

The hon. Member for Croydon, Central (Mr. Pelling)—who has moved as well, and with whom I was at university, incidentally—called for another platform. I suspect that that is unlikely to happen in Croydon, but I will pass on his message to the Secretary of State for Transport.

The hon. Member for Peterborough (Mr. Jackson) referred tellingly to the middle east, and I wholeheartedly agree with the points that he made. It is interesting that this year, for the first time, many more pilgrims or tourists will be able to go to Bethlehem. It would be nice to see a Holy Land that could be genuinely visited by anyone.

The hon. Member for South Norfolk (Mr. Bacon) made a speech at a phenomenal pace—it sounded a little as though it was being read into the record—but he did so very ably, and I am not entirely sure what it was about.

The hon. Member for Glasgow, East (John Mason) talked about proportional representation, and Herr Flick—my right hon. Friend the Member for Warley—has told me that I am not to agree with him. The hon. Member for Chesterfield (Paul Holmes) referred in similar tones to what his leader said earlier today on Iraq. I disagree with him, and I hope he will understand that hon. Members can honourably disagree with one another.

My hon. Friend the Member for Falkirk (Mr. Joyce) made a very important speech about the Congo. Lord Malloch-Brown has been engaged very vigorously in that issue from the moment that we could act on it.

I should like to pay some tributes: first, to the staff of the House—the Clerks, the Doorkeepers and, in particular, to Gladys in the Tea Room and to all the cleaners. I thank my private office and constituency office—this always sounds a little like the Oscar awards—but, probably on behalf of all hon. Members, I thank our spouses and partners, because they often have to put up with an awful lot of rubbish from us.

I think that what we have learned today is:

"No man is an Island, entire of itself...any man's death diminishes me".

That is why the House today rightly expressed its concern for the vulnerable, the elderly, children, the homeless, the lonely, people in Zimbabwe, the people of the Congo, the unemployed and people in the middle east. We should always go further, and we should seek to abolish child poverty so that every child has an opportunity in life—the opportunities that we have.

6 pm

Motion lapsed (Standing Order No. 9(3)).

PETITION

Immigration and Citizenship

6 pm

Mr. David Amess (Southend, West) (Con): I have the honour to present a petition on behalf of 100 families concerning their views on the Green Paper "The Path to Citizenship: Next Steps in Reforming the Immigration System". It states:

The Humble Petition of the Malayalee community of Southend-on-Sea, Essex,

Sheweth: that the proposal in the Home Office's Green Paper 'The Path to Citizenship' to increase the minimum period of temporary residency on the path to permanent settlement from five years to as much as ten years would not be fair to immigrants already in the United Kingdom who had anticipated they could permanently settle after only five years, and would result in one of the longest delays in access to citizenship in the European Union.

Wherefore your Petitioners pray that your Honourable House do urge the Secretary of State for the Home Department to allow those already in the United Kingdom to keep their entitlement to settle as per the existing rules.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000303]

Sri Lanka

Motion made, and Question proposed, That this House do now adjourn.—*(Ian Lucas.)*

6.1 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): Mr. Deputy Speaker, I am grateful to you for selecting this subject—a matter of great import—for debate. It is the first debate of the Session on the important issues facing Sri Lanka. I am also grateful to the Minister of State, Foreign and Commonwealth Office, the hon. Member for Harlow (Bill Rammell), for attending today, at the end of this parliamentary term. Our last debate on the subject was in Westminster Hall, where the right hon. Member for Enfield, North (Joan Ryan) spoke about the issues of concern.

I am grateful to the very large number of Members who are present this evening. It is not normal for the House to be so full at this time, it being so close to Christmas. I am also grateful to the 32 Members who signed early-day motion 58 on this important subject. I know that there are Members who wished to be here but have clashes, particularly the hon. Members for Bromley and Chislehurst (Robert Neill) and for Orpington (Mr. Horam). I regard myself as being here to facilitate matters for all those who wish to be involved in the debate; I shall be happy to give way to Members liberally.

Many of us have attended protests on the outside, in Parliament square. Some of us spoke to some of the 25,000 people who attended the Remembrance day event at ExCeL. It is important that we recognise the difficult task that Her Majesty's Government have in trying to promote peace and harmony on the troubled isle of Sri Lanka, but we urge the Government to redouble their efforts to ensure that good work is done there.

Mr. Andrew Love (Edmonton) (Lab/Co-op) *rose—*

Mr. Andrew Dismore (Hendon) (Lab) *rose—*

Mr. Pelling: I am pleased to give way.

Mr. Love: Does the hon. Gentleman agree that we need not just a United Kingdom effort, but an international effort that brings together India, which has an important role to play, the United Kingdom, for obvious historical reasons, the United States and the UN? Only by that sort of concerted action will we get movement.

Mr. Pelling: I am grateful for that intervention. I have a number of questions to pose to the Minister at the end of my speech, and will give way less at the very end. The hon. Gentleman makes an important point.

Jeremy Corbyn (Islington, North) (Lab) *rose—*

Mr. Dismore *rose—*

Mr. Pelling: I give way to the hon. Member for Islington, North (Jeremy Corbyn).

Jeremy Corbyn: I thank the hon. Gentleman for giving way; he is being very generous. This is an important issue. Does he agree that a crucial part of the process

must be a permanent UN human rights monitoring mission, based on the island, that can travel freely without let or hindrance, take up any causes that it wishes, and monitor any process or political agreement that takes place?

Mr. Pelling: That is an important and fundamental point, particularly given how the Norwegians and our own representatives have been treated by the authorities in Sri Lanka.

Mr. Lee Scott (Ilford, North) (Con): Does the hon. Gentleman agree that one of the most important issues is that all roads should be opened and that food should be allowed through to vulnerable people? What does anyone want but a roof over their head, safety and the opportunity to live their life in peace and harmony? Does he agree, and should we work towards that?

Mr. Pelling: The hon. Gentleman makes a good point, which highlights some of the problems to do with the road to Jaffna and how many people have been living in starvation—or living outside, having been turned into refugees.

Mr. Dismore *rose—*

Mr. Paul Burstow (Sutton and Cheam) (LD) *rose—*

Mr. Pelling: I am happy to give way to the hon. Member for Sutton and Cheam (Mr. Burstow).

Mr. Burstow: I am grateful to the hon. Gentleman for introducing this important debate. Does he agree that we also need more independent and genuine news coverage that genuinely exposes what is going on in Sri Lanka? All too often, we do not get such coverage. Does he agree that that issue is important as well?

Mr. Pelling: That is right. Obviously, in conflicts information is sometimes used as a weapon. I have been impressed by what I have seen of the Defence Watch provision, which tries to give some balanced consideration.

Susan Kramer (Richmond Park) (LD) *rose—*

Mr. Dismore *rose—*

Mr. Pelling: I give way to the hon. Lady.

Susan Kramer: I thank the hon. Gentleman, who is being very generous with his time. With my hon. Friend the Member for Kingston and Surbiton (Mr. Davey), I met 400 Tamil people from our community. They presented evidence from relatives of what was happening in Vanni province. There is an immediate crisis and a need not only for a long-term solution, but an immediate one—particularly for those deprived of even the most basic medical supplies and of support from United Nations agencies.

Mr. Pelling: I appreciate that intervention, which leads me to say that many of us Members of Parliament meet so many constituents whose relatives have sometimes been abducted or have disappeared. We all feel that keenly as Members of Parliament.

Mr. Dismore *rose—*

Mr. Pelling: I give way to the hon. Gentleman; I am so sorry not to have done so before.

Mr. Dismore: I thank the hon. Gentleman. He may not be aware that this afternoon there was an extensive debate on the Foreign Affairs Committee report on human rights, and human rights in Sri Lanka featured greatly in that. Sri Lanka has one of the worst records on press freedom. That is one of our problems in trying to discuss Sri Lanka; it is difficult to get proper information about the abuses of human rights there.

Mr. Pelling: I am grateful that the hon. Gentleman has attended this debate, given that that other debate finished only at half-past 5. It is important to highlight that the issue was given important consideration by the House; it was high up on the agenda in that other debate in Westminster Hall. The hon. Gentleman is exactly right: often there is a great deal of intimidation of journalists in Sri Lanka.

More importantly, the debate becomes debased by the fact that anyone who dares give any consideration to the prospects of genocide in Sri Lanka is described as a terrorist. Hon. Members will know that I have myself been decried as having fallen into the hands of terrorists for even daring to raise that issue.

Keith Vaz (Leicester, East) (Lab): I deplore the attacks made on the hon. Gentleman and other hon. Members just because they raised that matter in the House. Is there not now a case for considering the proscription issue and doing what has happened with the People's Mujahedeen: raising partially the ban in this country, not to stop condemnation of terrorism—we all condemn terrorism—but for the British Tamil citizens who wish to raise humanitarian and social concerns? They face a lot of harassment. The hon. Gentleman mentioned the ExCeL centre; there were 12 counter-terrorism police at that centre simply because the ban exists. Is there not a case for partially raising the ban?

Mr. Pelling: It is a great privilege to give way to the Chairman of the Home Affairs Committee, who knows these issues so well. We do condemn terrorism and we recognise that the conflict in Sri Lanka is one of evil, in which the antagonism on both sides has led to appalling atrocities. However, it is wrong for the Sri Lankan Government to think it appropriate to wage war on their own people. We must be sensitive to the issues raised by the right hon. Gentleman because it is important that we make enough exception for there to be humanitarian and political activity. I guess that at the end of this debate we will come to the view that it is right to support Her Majesty's Government's approach and that a political dialogue should take place, rather than a continuation of the waging of war. We must also be cautious about the role that the high commission plays here in London in terms of forcing some banks to close accounts that might be being properly used for humanitarian efforts.

Simon Hughes (North Southwark and Bermondsey) (LD): The hon. Gentleman has touched on many of the issues that concern us all, and many people who are tarred with the allegation that they are somehow supporting

[Simon Hughes]

terrorists because they support their constituents and the wider community who want to speak out on issues of huge concern to them. Given the urgency of the current issues in Sri Lanka and the long-term problem that has not been resolved, does the hon. Gentleman agree that one of the things that the British Government might consider doing is seeking to persuade the Commonwealth, as well as the UN and other countries outside the European Union and the United States that have not taken a view on proscription, to come together early in the new year to seek an initiative with the Government of Sri Lanka, whatever happens militarily between now and then? They might say that the military conclusion will be sufficient, but clearly the issues will not change even if progress in that regard is made by the Government.

Mr. Pelling: That is the intervention that I would have expected from the hon. Gentleman, because it proposes practical ways for Her Majesty's Government to show leadership on this issue in partnership with others. We look forward to what the Minister says about how that response might be made.

I will make one brief local comment and then pose some questions to the Minister before concluding. I am very proud that in Croydon members of the Tamil and Sinhalese communities came together in prayer in very large numbers—1,500 people—to pray for peace. That is the constructive approach that we would like to see in Sri Lanka itself. I would like to give credit to an associate of mine, Patrick Ratnaraja, who has lobbied effectively with Conservative Members of Parliament to raise concerns about this issue.

I do not know how many of these questions for the Minister I will be able to get through; I certainly know that it will be impossible for him to answer them all in the 15 minutes that he has allocated to him. What work can be done by Her Majesty's Government to help non-governmental organisations to re-establish themselves in Tamil majority areas? What is the current policy on dialogue with Tamil groups in the UK and in Sri Lanka? Following on from the interventions that we have heard, which country does he think should take the lead in promoting dialogue with Sri Lanka? Is less attention perhaps being paid to this very important issue of the genocide and evil war that is taking place because of the distractions of the middle east?

John McDonnell (Hayes and Harlington) (Lab): On the question of which country could take the lead, an ideal opportunity is coming up in April when we host the G20 talks. Every other peace initiative that has worked, from Northern Ireland right across the world, has engaged with America. With Barack Obama coming to this country, does the hon. Gentleman think it worth while for our Government to liaise with Barack Obama before he gets into power to say that this is an item that we could discuss at the G20, where there will be a host of nations that can assist us in this peace campaign?

Mr. Pelling: That is a good point to make. We often realise with American foreign policy that it is not only about ensuring that the right thing is done, but about strategic interests. We must remember that Trincomalee is a very important strategic harbour that we should be concerned about. Bearing in mind the Chinese interests that are now being promoted in Sri Lanka, partly because of the weakness of that country owing to the civil war, we need to be concerned about strategic American and British interests as well. What dialogue is taking place with China in the context of its growing interests in the country? How much of the money provided by the British public, and by the British taxpayer for tsunami relief, does the Minister think has been properly spent? Are export licences being properly managed to combat the export of arms that might be redirected for the killing of innocent people? How is the distribution of Department for International Development humanitarian funds going?

I have three more questions to go; I know that I would be optimistic if I thought that even three could be answered in the 15 minutes that are available. How are matters progressing with our political and development section in Colombo; what are we doing to raise our concerns at the UN, as so many colleagues have suggested we should; and are the authorities treating our diplomats fairly and giving them reasonable discretion to be able to travel within the country? I have only one question to ask the Sri Lankan Government: why cannot they stop waging war on their own people?

6.14 pm

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): I genuinely congratulate the hon. Member for Croydon, Central (Mr. Pelling) on securing the Adjournment debate on an important issue. As several hon. Members have done, I deplore the attacks on him and other hon. Members for simply raising genuine human rights concerns in the House.

With great international concern about the humanitarian and human rights situation in the north of Sri Lanka, it is timely to hold a debate on that country. Like many people in Britain, the Government are deeply concerned about the worsening conflict between the Government of Sri Lanka and the Liberation Tigers of Tamil Eelam, and its impact on the welfare and human rights of Sri Lankan citizens.

The lack of access by non-governmental organisations and the media to the conflict zone makes an objective assessment of the conflict impossible, to put it bluntly. Many alarming reports have emerged, speculating about the extent to which both parties' activities conform with international humanitarian law. Those reports need a sober and measured analysis based on the evidence available, and I will try to provide that.

Concern for civilians in Sri Lanka and the primary responsibility of the Government of Sri Lanka to protect them means that the LTTE's role in the conflict is sometimes overlooked. It is important not to forget that the LTTE is a ruthless terrorist organisation, which is responsible for serious human rights abuses against civilians throughout Sri Lanka.

The LTTE has no democratic mandate to represent the Tamil population. It is reported to recruit civilians, including children, into its ranks forcibly, to extort food and money from an already impoverished people, to abduct and kill Tamil civilians who disagree with its views or methods and to break all norms of international humanitarian law by preventing civilians from leaving

conflict areas, effectively holding them as a human shield. The LTTE has conducted a terrorist campaign across the whole of Sri Lanka for nearly three decades, deliberately targeting thousands of individual civilians, as well as assassinating Government figures.

The UK condemns those activities and recognises the Government of Sri Lanka's democratic right to fight terrorism. But—

Keith Vaz *rose*—

Bill Rammell: I give way.

Keith Vaz: Perhaps the Minister should continue with the "but".

Bill Rammell: I tried to get the "but" in quickly because I anticipated an intervention from my right hon. Friend.

But if the Government of Sri Lanka are to be successful in the fight, they ultimately need to address the causes of terrorism, which are at the heart of the problem.

Keith Vaz: My hon. Friend is right to condemn terrorism, but is he not alarmed at the Sri Lankan Government's deploying cluster bombs—bombing their own people, as the hon. Member for Croydon, Central (Mr. Pelling) has said? If my hon. Friend deplores the attacks on hon. Members, will he call the Sri Lankan high commissioner to his office tomorrow, and ask him to stop attacking hon. Members who raise important humanitarian issues in Parliament?

Bill Rammell: As I have outlined, there are genuine concerns. I have already made clear my view that there should not be attacks on hon. Members who raise legitimate concerns. We have put forward that view forcefully, and we will continue to do so.

However, I also believe that we need a political solution—that was the "but" that I wanted to express.

Keith Vaz: What about cluster bombs?

Bill Rammell: I shall deal with that shortly.

The conflict between the Government of Sri Lanka and the LTTE has gone on for more than 25 years, and it has claimed the lives of at least 70,000 people in Sri Lanka. We recognise that the causes of the conflict, and the legitimate concerns of all communities in Sri Lanka, need to be addressed. However, terrorism is not the way to achieve that. The LTTE claims to be the sole legitimate voice of the Tamil people and is alleged to have killed Tamil politicians with different political views from its own. We must never allow a proscribed organisation to be the only voice of the people.

There needs to be a full debate among all communities—Tamil, Muslim and Sinhalese—free from intimidation, on what an acceptable political settlement to the conflict might resemble. We have called on the LTTE to renounce terrorist methods and demonstrate genuine commitment to democratic principles. I hope that the recent reduction of attacks on civilian targets in the south of Sri Lanka suggests movement in that direction.

The Government of Sri Lanka also have real responsibilities. They need to show that they are serious about reaching a political solution to the conflict, and to do much more to reach out to the different communities in Sri Lanka. We are supporting initiatives to get political parties together around the same table and to promote grass-roots dialogue between the different ethnic communities. An important part of a political solution will be to ensure that proper structures and institutions are in place to protect the rights of all Sri Lankans, and to bring an end to the culture of impunity that allows human rights abuses to occur across the island.

Mr. Scott: In the past few years, Iraq has put on trial its leader, Saddam Hussein, who bombed and killed his own people. Exactly the same thing is being done by the Sri Lankan Government now.

Bill Rammell: Genuine concerns are being aired across the Chamber this evening, and we need them to be addressed, particularly in the context of a political solution. I was about to make the point that the Government of Sri Lanka's current approach is to defeat the LTTE militarily before developing a political solution. That does nothing to win the hearts and minds of conflict-affected civilians in the north, and it will not resolve the underlying conflict.

Susan Kramer: I wonder whether the Minister understands how distressing it is for our Tamil constituents not to hear an outright condemnation of the Sinhalese Government's use of strategies such as cluster bombing towards their civilians. Such language would have been used in the context of Darfur and elsewhere, yet it seems, selectively, not to be being used in this context.

Bill Rammell: I do not think that that is the case. There are real concerns about the strategy and the tactics that the Government of Sri Lanka are pursuing. I have made that clear this evening and, in all the contacts that my noble Friend Lord Malloch-Brown has with the Sri Lankan Government, those views are put forward very forcefully. We continue to argue that achieving a political solution now would be fundamentally in the Sri Lankan Government's interests. It would undermine the LTTE by demonstrating that they are not the sole representatives of the Tamil people, and it would diminish their support in Sri Lanka and overseas. We are strongly encouraging the Sri Lankan Government to initiate an inclusive political process to address the fundamental causes of the conflict.

Simon Hughes: The Government's strategy has always been very helpful on these issues. Can somebody try to get through to the Sri Lankan Government that there is no shame in involving other countries in trying to resolve these issues? We used Americans to help to resolve the issues in Northern Ireland. The Sri Lankan Government do not appear to understand that other people can help by bringing in their experience, and that, without them, there will probably be no internationally acceptable solution.

Bill Rammell: The hon. Gentleman has anticipated my next two points. I was going to say that we are working with other international partners such as the co-chairs—the European Union, the United States, Japan and Norway—and India to encourage a political solution. The UK welcomes all initiatives, domestic or international, that can contribute towards a sustainable political framework for a just settlement of the long-standing conflict in Sri Lanka that will satisfy the legitimate aspirations of all communities.

[Bill Rammell]

Earlier this year, we invited the Sri Lankan all-party representative committee to visit the UK to examine the political process that was set up in Northern Ireland following the Good Friday agreement. The recent devolution proposals put forward by the APRC represent a positive step, but a more concerted effort is needed from the Government to involve all the major political parties in the APRC process and to demonstrate their political will to implement their proposals. For Sri Lanka to find a way forward, there needs to be a concerted effort from all communities to come together and agree a political package to resolve the underlying issues.

To pick up on the point made earlier by my hon. Friend the Member for Islington, North (Jeremy Corbyn), we support the call by the United Nations High Commissioner for Refugees for an expanded UN monitoring mandate in Sri Lanka. I believe that that could be a constructive contribution.

The humanitarian situation in Sri Lanka is of enormous concern. The increase in fighting and the progress of the Sri Lankan army in the north have created a large increase in the number of internally displaced persons. The latest estimates are that there are more than 230,000 IDPs, and many families have been repeatedly displaced during the past year. Each successive displacement leaves a household more impoverished and increasingly reliant on humanitarian assistance, and they leave the political solution that we are striving for much further away. Accurate figures have been difficult to get hold of since September when the Government instructed all NGOs and international NGOs to relocate away from the conflict zone.

Mr. Love *rose—*

Bill Rammell: I will give way for the very last time.

Mr. Love: I am grateful. It is, of course, a matter of most urgent concern that no one is able to get into the north of the island to find out what is actually going on. That is particularly reprehensible in that that is where aid organisations are based to help displaced people, and they are not being allowed to do their job. What efforts and pressure are the Government applying to get the Government of Sri Lanka to relent on that issue?

Bill Rammell: I very much agree with the strong point that my hon. Friend raises. We are lobbying at all levels to allow international NGOs full access to the affected areas, and we are pressing the Sri Lankan Government to permit a full, independent UN-led needs assessment mission to visit the affected areas and allow the UN to take appropriate humanitarian action. The issue has been raised at the highest level.

When my right hon. Friend the Prime Minister met President Rajapakse in New York in September, he urged the Government to ensure that regular food convoys reach those in need. However, these have been delays and inadequate supplies are reaching those in need. We therefore continue to urge the Government to ensure that access is improved to enable sufficient food to be delivered and that essential non-food items such as shelter and medicines are also delivered in the quantities needed to improve the critical human rights situation.

There have also been allegations of genocide or the indiscriminate bombing of civilians in the Vanni by the Sri Lankan Government. Our high commission in Colombo has discussed these allegations with NGOs, international organisations and the diplomatic community in Colombo. We should not lose sight of the fact that the LTTE also has a role to play. Most of the IDPs are caught in areas still held by the LTTE. In a joint statement on 26 September, my noble Friend Lord Malloch-Brown and the then Under-Secretary of State for International Development, my hon. Friend the Member for Dewsbury (Mr. Malik), called on both parties to respect their international obligations under international humanitarian law to protect civilians affected by the conflict and to enable free access for humanitarian agencies and the free movement of civilians.

I have already mentioned that Sri Lanka faces a substantial terrorist threat, but respect for human rights is crucial to counter terrorism effectively. The human rights situation in Sri Lanka is of enormous concern. Disappearances and killings of civilians continue; there are reports of widespread intimidation of the media; child soldiers continue to be used by paramilitary groups; and a culture of ethnic discrimination persists. Prosecutions for such abuses are rare, which is enormously to be regretted.

Human rights groups have alleged Government involvement in human rights abuses as well. Central to the allegations of Government collusion in human rights abuses is the weakness of the rule of law and the failure to investigate and prosecute those thought to be responsible for the worst abuses. That feeds a culture of impunity, which is one of the real obstacles to peace in Sri Lanka. There has, for example, still been no arrest of anyone for the murder of 17 "Action Contre La Faim" aid workers in 2006.

The Government of Sri Lanka are also linked to human rights abuses through the actions of Government-aligned paramilitaries, including the Tamil Makkal Viduthalai Pulikal, which broke away from the LTTE in 2006. The TMVP's human rights abuses, including child recruitment, mirror those of the LTTE. In our contacts with the Government and TMVP politicians, we have regularly raised critical human rights issues, such as the need to release child soldiers and the need for the TMVP to disarm. There has been recent progress on both those issues and our lobbying has contributed to an agreement being made in early December between the TMVP, UNICEF and the Government to work towards the release of all TMVP child soldiers within three months. Following our lobbying, the TMVP recently made a public commitment to disarm as soon as the threat from the LTTE was removed. I welcome those positive signs of the TMVP's commitment to democracy but, bluntly, much more remains to be done. We will continue to urge the Government and paramilitaries to take further steps.

Although the LTTE and paramilitary groups share responsibility for the poor human right situation, the Government of Sri Lanka have primary responsibility for ensuring the human rights of its citizens. When my noble Friend Lord Malloch-Brown visited the country in July, he encouraged the Government to do more to protect the human rights of those affected by the conflict. Our high commission in Colombo regularly repeats that message at the highest levels.

It is understandable that the Tamil community in this country are concerned about the plight of Tamils in Sri Lanka, and we have heard that point made very forcefully by hon. Members this evening. I want to assure them that we attach importance to listening to all views from the Sri Lankan diaspora, and I encourage all members of the community who wish to offer humanitarian support to Tamils to channel it through the humanitarian agencies as the most effective way to make a contribution.

I am conscious that members of the Tamil community in the UK are concerned about proscription of the LTTE—an issue raised by my right hon. Friend the Member for Leicester, East (Keith Vaz). I have already outlined the LTTE's record as a terrorist organisation and I have to say that until it renounces terrorist activities in word and deed, there is little prospect of the proscription being lifted.

I hope that it is clear that the Government share the concerns expressed this evening. We are doing everything possible to ease the humanitarian situation and to push for a political solution. I congratulate the hon. Member for Croydon, Central again on raising these crucial issues in this evening's debate.

Mr. Deputy Speaker (Sir Michael Lord): Before we rise for Christmas, may I say how pleasant it is to hear so many kind words and good wishes expressed in the Chamber? In turn, may I wish every single Member of Parliament, every single member of staff and all their families a very merry Christmas and a happy and peaceful new year.

Question put and agreed to.

6.31 pm

House adjourned.

Westminster Hall

Tuesday 16 December 2008

[MRS. JOAN HUMBLE *in the Chair*]

BBC World Service

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Blizzard.]*

9.30 am

Mr. Greg Hands (Hammersmith and Fulham) (Con): I welcome you to the Chair, Mrs. Humble. This is the first time that I have had the pleasure of serving under your chairmanship.

I am delighted to have secured a debate on the BBC World Service. There has not been a general debate on the subject since I was elected to the House in 2005. During that time, however, there have been two half-hour debates on related topics, both initiated by the hon. Member for Selby (Mr. Grogan). I shall return to those in a moment.

I had considered entitling today's debate "The Future of the BBC World Service", but I want also to reflect a little on its past. My first contact with the World Service came when I was at university. The man who taught me Czech at Cambridge was the late Karel Brusak, who frequently broadcast on the Czech service. At various times, he dominated the Czech language service. He worked as a news commentator; he wrote original radio plays and adaptations, and a satirical review about communist Czechoslovakia; and he reviewed books, films, theatre and the latest achievements of science and technology. In every sense, he was a genuine all rounder. I lived in Prague for a summer during communist times, and the Czech service was invaluable in allowing me to keep up with the outside world. Indeed, it was a rather strange experience being able to listen to one's own teacher on the radio almost every day.

My interest in the matter comes not only from my personal past but also from a general interest in broadcasting, mainly as a constituency issue. I also have an interest in cultural diplomacy, or what is sometimes called soft power, and a strong interest in all things connected with central and eastern Europe and Russia.

I mentioned earlier the two half-hour debates on related topics initiated by the hon. Gentleman. One was last year; it was a half-hour Westminster Hall debate on the BBC world news service. The other was a debate on the ending of the Thai service by the BBC World Service in March 2006. My brother works as a journalist in Bangkok, and he can certainly attest to the importance and utility of the Thai service to the people of Thailand.

Mr. John Grogan (Selby) (Lab): Does the hon. Gentleman agree that what has happened in Thailand since then reinforces the case that it was a mistake to close that service? It was the most marginal of all closure decisions. Would the hon. Gentleman encourage the BBC World Service to consider the matter again in the light of events and to consider restoring the Thai service, as it once was in the past?

Mr. Hands: The hon. Gentleman is absolutely right. I hope that the BBC will consider it as a matter of urgency before the infrastructure, especially the human resources, withers away, as must inevitably have happened, at least in part, over the past two and a half years. The axing of that service was definitely a mistake.

The World Service is at a turning point. On 25 November its director, Nigel Chapman, announced his departure. It is an important position. According to a written parliamentary answer, it commanded an annual salary of £228,000 in 2005. Will the Minister reassure us that the advertising of the position will be open, and that the process will include external applicants?

Now is a turning point for the service in other ways. The Arabic television service has begun, we understand that the Persian TV service is about to start, and the existing Russian service has come under fire—at least in the press here. I shall focus mainly on the Russian service, but I shall also reflect on what the BBC World Service has decided are its other main priorities—the Arabic and Farsi TV services.

I said that I wanted to speak about the past of the World Service. One point that I wish to return to is the retrenchment scene in 2005, and the cutting of 10 language services, including Czech, to which I have already referred, and Thai, as well as seven other eastern European languages. As I said, the Thai closure was a mistake, but I and most others supported—perhaps with regret—some of the other closures. It no longer seemed reasonable to have a Czech service in 2005, some 15 years after the end of the cold war. The same went for the Polish service. There was definitely an argument to be made for moving those resources to other languages.

I turn to something that I said at the time. We need a memorial of some sort to those who served on the World Service over those 50 years. There was a great number of unsung heroes, including my former teacher Karel Brusak. Brusak died in 2004 from natural causes, after many years on the Czech service. Others were not so lucky, none more notoriously so than Georgi Markov, who was murdered by the Bulgarian secret service as a result of his broadcasts on the World Service.

In 2005, I tabled early-day motion 956, in which I called for a memorial to those who have served on the World Service. It attracted 78 signatures. It noted the closure of the eastern European language services, and then further noted that

"these radio stations have been in operation since September 1939, and acted for 50 years during the Second World War and the Cold War as a beacon of hope, liberty and democracy to the nations of Central and Eastern Europe under totalitarian control; and urges the BBC to consult relevant organisations with a view to building an appropriate physical memorial to those who worked on these broadcasts, perhaps including a statue of Georgi Markov, who was assassinated in London on 11th September 1978, by the Bulgarian secret police due to his broadcasts on the World Service."

The motion did not seek to dictate what the memorial should be. I know that placing a statue in central London is not nearly as straightforward as we would all like to think. Instead, I left it to the BBC and the Foreign Office to determine what action might be taken, having seen the considerable amount of interest among Members of all parties for something to be done. It is extremely regrettable that no action was taken by the BBC and that no consultation was launched.

[Mr. Hands]

I wish to examine in depth what is happening with the Russia service. Similar things are happening. The Russian service is being cut, essentially to fund Arabic and Persian television stations.

Bob Spink (Castle Point) (Ind): Does the hon. Gentleman believe that it was not so much a financial decision to cut the Russian service but that the BBC has taken a political view, as it does not want to upset the Russian establishment? That is lamentable, given the present misunderstandings between Russia and the UK.

Mr. Hands: The hon. Gentleman is partly right in that, but I shall examine some of the political background in a moment.

In hindsight, the Russian service had an inauspicious start. It started in October 1942, but broadcast for only seven months before the Soviet Union pressured us to take it off air. Even in those short seven months, the broadcasts were personally vetted by the Soviet ambassador to London, Ivan Maisky, and the news bulletins were read by the TASS London correspondents. The service was restarted in 1946; it then started to make a huge contribution to encouraging freedom and democracy in the Soviet Union. It would be ironic if the service were to return to the days of Government vetting and control by Russia.

As we know, the situation with regard to democracy and human rights is bad in Russia at the moment. That is not the subject of today's debate, but there is something of a consensus across the parties about the dire situation there, especially about Anglo-Russian relations. However, it is worth pointing out that the media situation in Russia is especially bad.

The litmus test for a healthy democracy is freedom of the media and of the press. On that test, I am sorry to say that Russia fails comprehensively. Since 2000, we have seen a steady erosion of the media's freedom, particularly in television and radio broadcasts, which are the main source of information for most Russians. Those journalists courageous enough to stand out against the regime have been subjected to personal intimidation, harassment, violence against their persons and their homes, jailing, and in some cases even straight murder. The murder of Anna Politkovskaya is perhaps the most prominent example. She was working on what is commonly regarded as Russia's main, and some say only, independent newspaper, *Novaya Gazeta*, which has recently stopped reporting anything about the Russian secret services and is under great pressure more generally. The BBC Russian service should be seen in that context: the lack of press freedom in Russia.

The stated aims for the government of the BBC represent grand ambitions for its Russian service. In response to a written parliamentary question, on 26 November, the Foreign Secretary told my right hon. Friend the Member for Richmond, Yorks (Mr. Hague):

"The Foreign and Commonwealth Office supported the recent changes that will assist BBC Russia in its mission to be the most trusted and influential international news provider in Russia".—[*Official Report*, 26 November 2008; Vol. 483, c. 1788W.]

I have had extensive meetings with Nigel Chapman, the outgoing director, who listened politely to my concerns and kept me updated on changes to the Russian service. Nevertheless, I think that Mr. Chapman's views were driven by what most of us would recognise as being purely the concerns of a commercial radio station: listener numbers and penetration. I often got the feeling that he was ignoring the wider mission statement and the political and cultural importance of the service.

The Russian service is in a very sorry state. Although it is third in budgetary terms, after Arabic and Persian, the number of listeners has declined very rapidly, and in my view the quality of the programming has been in decline, and its overall impact has been greatly lessened, especially since the previous round of changes to the service in early 2006.

Mr. Edward Davey (Kingston and Surbiton) (LD): Does the hon. Gentleman think that the decline in listener numbers has anything to do with the Russian authorities taking away from the BBC World Service agreements on frequency modulation transmission? How would he characterise the decline and who is responsible for it?

Mr. Hands: The hon. Gentleman raises an important point, which I am afraid I think is only partly true. The decline is due in part to the action on the FM transmitters and also in part to a change in the content of programming, which I shall come on to in a moment.

In October, Mr. Chapman announced another round of cuts to the service, all of which are misguided. They were branded as a "refocusing" and included a greater focus on peak-time audiences, more news and fewer cultural programmes, strengthening the online service at the expense of radio and cuts in London staffing in favour of Moscow.

I have seven main criticisms of the current service, most of which have increased since the October changes. First, the BBC Russian service is managed by people without a comprehensive knowledge of Russia. That was the case with the outgoing director and the regional head, and somewhat the case with the head of the Russian service, at least before she took up her position. As I understand it, none of those three office holders speaks fluent Russian, including the head of the Russian service, who I am told had to attend language classes after taking up the position. Inevitably that has increased the reliance on those immediately below and around them, who happen generally to be former Soviet-era journalists. For whatever reasons, they seem consistently afraid of broadcasting anything that might offend the Kremlin. Furthermore, the position of head of the Russian service was not advertised externally. British experts on Russia, of whom I know a few, of varying political persuasions, had offered their help and advice to the Russian service in the years following Putin's rise to power and the deterioration of British-Russian relations. However those offers were dismissed.

Secondly, the Russian service attributes its decreasing popularity to the unwillingness of the Russian authorities to allow the BBC to broadcast on FM. When the local partnerships were set up in 2006, many people warned that they were an operational hostage to fortune, and that the overall joint venture with Russian state broadcasting through its Radio Bolshoi network would compromise editorial independence. Indeed, the Foreign Affairs Committee, one of whose members is here today, voiced its concerns in November 2007:

"However, we also conclude that partnerships with state broadcasters could be seen to undermine the BBC's independence. While recognising the difficulties of the current Russian media scene for the BBC, we recommend that the World Service pursue an independent FM broadcasting licence and that it seek to improve and expand its medium wave transmissions, in order to reduce the Service's dependence on FM broadcasting through Russian partners".

That forecast turned out to be very accurate. The Russian Government's intervention to stop the local FM partners broadcasting the BBC's output is reprehensible and regrettable. However, Soviet or Russian regimes before Putin—those of Stalin, Khrushchev, Brezhnev and so on—had been even more hostile to the BBC, but the service still got through, and the Russian population in those times held the BBC in great respect. It was the most popular voice among the foreign stations.

For me at least, and many others, the fall in popularity of the Russian service can be at least partly explained by a shift in the BBC editorial standards on the service. In the past the Russian service understood its mission as

"providing alternative information and analysis".

However, today it feels it necessary to ensure the constant presence of the "Kremlin point of view". Normally, in journalism, we would laud that desire to put forward all points of view. However, that is difficult in Russia, because whenever Russian officialdom refuses to comment, which is a very common and acknowledged experience, the alternative point of view—the opinion of the westerners, the opposition, critics, political prisoners and so on—cannot be broadcast either. Those are the things that in the past made Russians tune in to the BBC Russian service. It is stated that broadcasting such reports without the Russian official point of view, which I am afraid is ubiquitous in Russia because of the total state control of television, would be a

"breach of the BBC editorial guidelines".

That would be akin to having not broadcast "The Gulag Archipelago" in the 1970s and 1980s, because there was nobody from the Soviet penal system available to present the other view. That is fundamentally misguided.

Thirdly, there has been a misguided move away from cultural programming, even though the BBC Russian service has been famous for its cultural and literary programmes. By closing features and making its most experienced and educated staff redundant, the Russian service loses all that and dramatically lowers the cultural and linguistic standards of its broadcasts. By metamorphosing into a news-only service, it loses some of its cutting edge. I shall deal with the FM partnerships in greater detail in a moment, but ironically the FM partners particularly liked the excellent cultural features, which are now the victim of the "news only" dogma that appeared to affect the whole of the World Service under Nigel Chapman. With a news-only service, it is difficult to examine even political issues in depth. For example, how can it explain the complicated situation in Abkhazia without the use of a longer, feature programme?

My fourth criticism is about the move from radio to the internet, which sounds like a technological step forward. However, that is not necessarily the case. In Russia, the internet is less accessible and more vulnerable than radio. We need to recognise that despite appearances, in Moscow at least, internet penetration in Russia remains low. Indeed, according to official Russian statistics, only 20 per cent. of the population have used the internet in the past year. Among them, very few have broadband access, and yet the BBC Russian website features a lot of video streaming and audio clips, which look impressive to a UK audience, but which are of more doubtful utility in the country of the target audience. Added to that is the ongoing speculation that the Russian authorities are seeking to adopt a Chinese-style firewall, which would have the potential to render the whole internet project obsolete. As with the FM decision, with this internet decision the BBC is putting all its eggs in one basket.

My fifth criticism is about the rise in the number of live discussions on the revamped Russian service. They sound great in theory, but effectively they discriminate against a large number of people who might appear on the Russian language service, because to take part in a live discussion, it is necessary to be fluent in Russian. That means that inevitably the BBC fails in one of its missions: to have a broad base of people appearing on its programmes to reflect a wider variety of points of view.

Sixthly, the Russian service generally avoids sensitive issues—for example, the refusal to publish Politkovskaya's book on the site—which is especially true of any references to the security services, but it is virtually impossible to cover Russia properly without any discussion of them. Incidentally, among the Russian online articles published since 2001 are just two interviews with the late Russian journalist. Surely, she should have been interviewed more often given her importance to events in Russia. When she came here for the last time, in July 2006, the Russian service current affairs programme interviewed her, but did not broadcast it. Moreover, the Russian service provided feeble coverage of the murder of Alexander Litvinenko. "Panorama" did a far better job in exposing what went on.

My seventh and final criticism is the refocus on peak times. That sounds fine in theory. We all love our broadcasters to focus on the times when we are most likely to be listening. However, such a time is less obvious in a country of 11 time zones. In a letter to me, Nigel Chapman talked of peak morning and evening drive-time audiences. However, there are three time zones in European Russia, with populations of 99 million, 65 million and 24 million respectively. Therefore, they need a comprehensive 24-hour service to cover Russia properly. That is one of the reasons for the larger number of repeats, but Nigel Chapman extolled the changes by saying that they would cut the number of repeats. None the less, repeats are essential on the BBC Russia service.

Doubtless, the Minister will argue that such issues are operational matters for the World Service, but he must recognise that a flourishing Russian service is a very important tool of foreign policy, and that we need to make better use of our cultural diplomacy assets. The BBC acquired from the Foreign Office powers over languages and broadcasting hours relatively recently—I think that it was in the late 1990s. The Government must take action if those powers are now not being used responsibly and, if necessary, take them back. We have also seen cuts in the number of monitors of Russian broadcasts. In Caversham, the number has been halved in the last two years and is down to 15 people.

[Mr. Hands]

On the Russian service, therefore, we need to explore all the options and to avoid putting all our eggs in one basket with just an internet service, as we previously did with the FM service. We could start exploring partnerships with other foreign broadcasters, such as one of the French companies or Deutsche Welle. The Minister for Europe recently confirmed to me in a parliamentary answer that no discussion of that nature had taken place, either on a governmental level or between broadcasters.

For FM, we need to explore the possibility of broadcasting from just outside Russia, from places such as Finland, the Baltic states, Poland, Ukraine and the southern Caucasus. We also need to get the three medium-wave transmitters upgraded. We were told that that would happen, so I would welcome a progress report from the Minister on the upgrading of those three transmitters. We also need urgently to examine the potential for satellite radio broadcast. Therefore, there is a lot more that we could be doing. At the moment, we are in a dangerously exposed situation with our reliance on the internet.

I promised to turn briefly to Arabic and Persian TV. I cannot pretend that I have any real expertise on the matter, but I have a few comments to make. Arabic TV started in March 2008. It was the World Service's first vernacular TV service. It is still too early to tell whether the service is working well, but it has been a long-standing BBC ambition. However, it is worth saying that the 2005 Green Paper, which sparked all the changes that we have seen in the World Service in the past three years, stated that the challenges of an Arabic TV service are "enormous". It went on to say:

"However, any new grant-in-aid funded operation will find it hard to compete for audiences against local competitors, and other established global broadcast operators"—

presumably meaning al-Jazeera and others.

It is recorded in the Green Paper that the BBC asked the Foreign and Commonwealth Office to fund the Arabic language TV service, but received a negative answer. I am not sure whether the FCO shared the confidence of the previous World Service management in the service's viability. I very much support such a service in principle, and although it is too early to tell whether it is working, I should be interested to hear what the Minister has to say about its first nine months of operation.

We need to recognise that TV throws up a whole set of issues that are separate from radio. Most of the differences are obvious, but some are less so. One of the most important differences is that while it has been proven that it is perfectly feasible to operate a radio service in exile—as most of such services were in eastern Europe and Russia for 50 years—it is much harder to envisage operating a TV service without having access to scenes, backdrop, native speakers and news in the home country in question. Let me give an example. God forbid, but if there was another Iranian earthquake, it is hard to see how one could operate an effective TV station aimed at Iran without having access to the scene of that particular news story. For practical purposes, one needs easy access to the country for a television service and, almost certainly, a large presence in the country. It also means that one needs employees who can travel freely into and around that country and who will not have their visas refused at short notice. Like myself, many hon. Members have been refused a visa to Iran at short notice. I dare say that that is something that might afflict the BBC Persian service. For the Arabic-speaking world, it is less of a problem given the wide variety of choice of destination countries available. The Farsi service faces more of a problem because it is the native tongue of only Iran and parts of Afghanistan and Tajikistan. To make a successful service, one needs to have employees who speak Farsi and can travel freely.

I have concerns about the existing Persian radio service. A Farsi-speaking listener wrote to me. I am not able to test out this hypothesis personally, but I wanted to make the Minister aware of it. The listener said:

"Over a long time we have noticed that the BBC Persian service behaves and sounds like the official radio of the Islamic republic of Iran. For example the expressions they use are exactly the same as the expressions used by the official voice of the Iranian government, calling Israel 'the occupied country' or glorifying Ahmadi Nejad and prior to that Khatami etc. There are examples of this in their website.

Also in terms of their recruitment, (BBC Persian) are recruiting only from Iran and refuse to recruit British-Iranian applicants. The application states that applicants have to be able to go to Iran any time they want to. This means they have to have an Iranian passport (otherwise they have to get a visa, and this could be refused them)."

The listener goes on:

"Thus if they have a dual nationality and go to Iran and the Iranian government arrest them, the British embassy can not take any action because they entered Iran with the Iranian passport. So it means the BBC put people's life in danger by sending them in with an Iranian passport. As you know it is easier for them to sack people who are not British. Just cancel the work permit!"

That letter raises a number of issues that the Minister needs to address. They include easy access to Iran by the staff from the Persian service, and matters relating to visas.

Mr. Fabian Hamilton (Leeds, North-East) (Lab): I am interested to hear what the hon. Gentleman says about the Persian radio service. I am sorry to hear that his visa to Iran was cancelled at short notice. Mine was not, and I was in the country just a year ago. A number of ordinary Iranians whom we spoke to thanked the BBC World Service for its language broadcasting and news. It helped them to understand what was going on outside the country, and when they listened to the English-language service broadcast into Iran, it helped them with their English language as well. Will the hon. Gentleman not acknowledge that that is extremely important, and contradicts, to some extent, what he has just said?

Mr. Hands: I am sure that the hon. Gentleman is correct in what he says. I was quoting from one correspondent who wrote to me. I said that I was not in a position independently to verify what they said. None the less, a number of issues have been raised both from what actually happened and from the theoretical situation that would pertain more particularly to a Persian-language television station.

The TV station was slated to start this autumn. In July, Nigel Chapman said that £15 million would be invested in it. I should like an update from the Minister on what efforts are being made to ensure editorial independence.

Let me return to the point where I started. My former Czech teacher Karel Brusak broadcast for decades on the Czech service, both under Nazi and then Soviet domination, and all without visiting the country. That was both possible and logical. However, it would be hard to imagine that if it had been a TV, rather than a radio service.

In conclusion, I broadly support the new TV services, but I have some doubts about how far editorial independence can and will be maintained. We need to be watching them very closely indeed. Returning to my major theme, the Russian service is in desperate need of urgent attention. I have made various suggestions on how it might be fixed, and I look forward to hearing the Minister's response in due course.

9.59 am

John Mann (Bassetlaw) (Lab): It is a pleasure to serve under your chairmanship, Mrs. Humble, and most apposite, as I shall explain.

First, I should like to tell the Minister that I will be neither questioning the competence of BBC journalists under parliamentary privilege in my brief remarks, nor recommending that the BBC seek the advice of my hon. Friends and I on any of its appointments, now or in future. I will not comment on countries that I have not visited, or opposition journalists whom I have not met. When I met the Iranian opposition, including the students at Tehran university who threw Ahmadinejad off the campus, the trade unionists who have had an ongoing dispute against the Iranian regime—not least Tehran bus drivers—and independent journalists, they stressed above all that they welcomed any shift in the direction of BBC resources to providing an enhanced service in that country and the region. I congratulate the BBC World Service on the moves that it has made in that regard.

The reason why it is apposite that you are chairing the debate, Mrs. Humble, is, of course, that Blackpool exemplifies the real output that the world wants to hear from the BBC. In 1953, via a grainy radio production, we heard the Matthews cup final, when Sir Stanley Matthews and Mortensen bedazzled Bolton Wanderers. The world listened, through the BBC, to the first real major sporting event broadcast on the radio. Everyone I speak to about the BBC World Service likes the fact that it provides access across the world to commentary on English football—I appreciate that there are finer arts in some people's perspectives—which is by far this country's most successful export over the past five years. The BBC's expansion of the service to allow the business and culture of English football to spread to every remote region of the world is testament to the fortitude of the BBC and is an appropriate priority.

Therefore, I have a proposal to make to the BBC through the Minister. In 2012, we will have the London Olympics. When we last had the Olympics, in 1948, radio was in its infancy, and the BBC could not carry the games in great depth. As the plurality of London helped us to win the Olympics, and given the range of visitors who will be coming, I would like the BBC World Service to broadcast across Britain during the games in a range of languages, which would not only provide a service to tourists but reinforce the pivotal role of the BBC and the World Service in British society, and put it at the heart of our cultural celebrations for the Olympiad. I hope that that message gets to the BBC, and I shall write to it if it does not. The Government ought to give the BBC World Service the opportunity to broadcast across the country during the Olympics so that visitors—wherever they come from and whatever language they use—can hear exactly what is happening to their athletes in the games. That would be a magnificent broadcasting contribution to the cultural olympiad.

10.4 am

Dr. Julian Lewis (New Forest, East) (Con): For personal reasons, I shall be making only a brief contribution to the debate. I promised some people that I would contribute, and I intend to keep that promise. I pay tribute to my hon. Friend the Member for Hammersmith and Fulham (Mr. Hands) for his masterly presentation of his concern about the state of the World Service in general, and the Russian service in particular. He has an extremely long track record of interest in the matter, as we heard, and I do not pretend for one moment to be able to match the depth and detail of his knowledge.

I wish to contribute to the consideration of the underlying philosophy that I believe has motivated the World Service in the past. That philosophy ought to motivate the service in future but, as my hon. Friend indicated, it may be in danger of being lost in a more modern, commercial environment. If our relationship with Russia had remained as positive as it was at the end of the cold war, that would be understandable. However, that cold war confrontation shows signs of slowly creeping back, and no one regrets that more than those who were involved, as I was professionally, in anti-Soviet-propaganda activities. It seems to me that the BBC World Service has been behind the curve on that, and that it is running frantically to keep up with a previous development, namely the growth of the threat of what I call un-Islamic extremism. It is so busy doing that that it does so at the cost of the effort that it should continue to make in Russia, particularly in view of the fact that the future of Russian society is, if it is not already once again set on a downward path, on the cusp of being sent in the wrong direction, by the people in charge of that great country.

I was particularly alarmed by what my hon. Friend said about the attitude of the senior officials to whom he spoke on the question of objectivity and impartiality. The strength of the BBC's broadcast to foreign countries, whether to foreign countries with which we are at war, as was the case from 1939 to 1945, or, more subtly, countries with which we are in confrontation, as was the case for half a century during the cold war, is that it tries to be objective, even in trying circumstances. That objectivity should be objectivity with a mission to promote the values of western democratic civilisation. It should not necessarily convert those in what I unashamedly call target countries, but it should give heart to people in oppressed or un-free countries who inherently believe in ideals of liberalism, freedom and democracy, but who need external reinforcement to encourage them to hold fast to and develop their ideals, so that they do not give in to the incessant, narrow-minded propaganda that they receive domestically.

There has been a worrying trend in the BBC more generally to move away from what used to be called the concept of due impartiality. It was not absolute

[Dr. Julian Lewis]

impartiality—impartiality between the arsonist and the fire brigade—but due impartiality between the mainstreams of opinion that are represented across the spectrum of politics in a democratic society. In recent times, even domestically, the BBC has at times moved towards saying, "Well, perhaps we ought to give more air time to fascists and communists because it's only fair for them to be able to balance their views against those of constitutional democrats, even though they are not democratic." I reject that opinion, and I am concerned that we are now importing it to an external body, when the whole purpose of the BBC's broadcasts to foreign countries should be to promote the values of a free, democratic and liberal society.

How do we know when we have crossed the line? We have crossed the line when the editorial policy of a service that broadcasts to a foreign country is shaped by former senior officials in the propaganda network of that country. I am not an expert on the Russian service and am less of a specialist on these matters than I was during the cold war. However, I have been informed that a former deputy editor of *Izvestia*, who was a specialist correspondent in Iraq, and that a former senior functionary at Radio Kiev—an English language Soviet propaganda station of the cold war—are deeply involved in advising senior people in the Russian service and the World Service on editorial policy. I have no reason to doubt that information, given its specificity. If it is true, clearly the service has lost its way.

It is not often that historians of Russia of the distinction of Antony Beevor, Orlando Figes and Simon Sebag Montefiore, literary figures of the distinction of Doris Lessing and D. M. Thomas and a playwright of the distinction of Tom Stoppard—whose devotion to the cause of freedom in central and eastern Europe is beyond question—join a recent British ambassador to Moscow and a former British ambassador to the USA to write to *The Times*. The letter, published on 7 November this year, deplores the cuts and trends implemented by the BBC in the Russian service. It states:

> "At a time when in Russia misunderstanding and mistrust of Britain has reached a height unprecedented since the end of the USSR this deliberate reduction in the role of the Russian service seems a perverse concession to those authorities in Russia who have been doing their best to curtail the activities of all British cultural institutions (the BBC and the British Council in particular)."

Like my hon. Friend, I am troubled by the idea that journalists and analysts of an external service of the BBC should be moved to the target country. I make no excuse for calling it that because the targeting is not adversarial, but gives people the option and the benefit of understanding how western, liberal, free societies operate and gives an insight into our values and culture. To move broadcasters to countries where in the past broadcasting dissenting views has cost broadcasters their lives is insane. It is a recipe for intimidation and self-censorship.

In conclusion, there must be a review of the policy of the World Service by the Foreign and Commonwealth Office. Preferably that would be public, but otherwise I would like an undertaking from the Minister that there will be such a review internally. There should be particular reference to the future of the Russian service, a restatement of the strategic role of such services and an assessment of the relative effort to be made in respect of each country, and it should be underlined that the philosophy of due impartiality does not mean impartiality between liberal democracy and the enemies of liberal democracy. There should also be investigations into the co-opting of former employees of Russia's media into the Russian service and into the naive and irresponsible decision to move independent broadcasters to the target countries.

10.14 am

John McDonnell (Hayes and Harlington) (Lab): I am a Member of Parliament for a multicultural west London constituency. A number of my constituents work at the BBC and some in the World Service, and most have a direct interest in it.

Kofi Annan called the BBC World Service the best gift to the world from London. Some of us worry that that gift is under the threat of diminution by the policies of the BBC management. The outgoing director of the World Service, Nigel Chapman, said that he wanted to outsource at least 50 per cent. of World Service programming to the respective countries. That sounds like any other outsourcing, but it threatens the quality, standards and objectivity of the broadcast service. The World Service is an independent international broadcaster and is famous for the refrain, "This is London calling." Without the geographical distance, it ceases to be independent.

Members of the National Union of Journalists and the Broadcasting Entertainment Cinematograph and Theatre Union from the south Asia region of the World Service are campaigning to save three language services that are under threat from plans to offshore their jobs and the output. The BBC Hindi, Urdu and Nepali services will be seriously undermined if those plans go ahead. Staff have resisted the plans for over a year and through negotiations have sought an agreement that preserves the fundamental World Service principles: quality, integrity and, above all else, independence. Those talks are ongoing but seem likely to stall this week as management want to forge ahead with its plans without agreement.

Under management proposals, editorial control will be ceded from the UK in favour of localised output in Nepal, India and Pakistan. Questions have been raised over the BBC's ability to retain editorial independence. Staff discovered a deal struck with the Pakistan regulatory body to give authorities in Islamabad the power to hear bulletins prior to broadcast. Although the management claim that no such arrangement exists, it is important that nothing be done that jeopardises the BBC's editorial independence. Those allegations warrant further investigation and there should be an independent Foreign Office investigation.

The reputation of the World Service has been built over decades. Millions of listeners rely upon the World Service because they trust it to be an independent voice. Localising editorial control in countries such as Pakistan and Nepal will bring unacceptable pressures to staff in those territories. While we believe that all BBC staff will fight to maintain its independence, it is in the strong interests of the BBC to ensure that its staff can act free from external influence. That is difficult enough even in this country with the constant political pressure. The threats are more direct from foreign Governments in some areas of the globe.

The BBC has set up private companies in India, Pakistan and Nepal that pave the way for localised commercial businesses. Such businesses will have to comply with local commercial law and will not be governed from the UK, as they are now. The NUJ and BECTU have been asking for details of those companies and their planned and present activities. Management have thus far failed to give any meaningful information or assurances. If the BBC offshores not only output but editorial control to overseas territories, that too will have to comply with local media regulation. The fear is that the freedom of the press is variable in such territories, and that that will impact on World Service output.

Staff who have served the BBC and the country well for decades are anxious that their professionalism and independence is under threat. If we do not act now and if the Government do not take a serious interest in this matter, we will live to regret it in future years. There must be a review of the policy of localising editorial control and an end to the dismantling of the World Service in certain parts of the globe, which we have seen over recent years. The Thai service is just one example of where we have lived to regret the withdrawal of a service in a key part of the world. It must be asserted that editorial control over World Service output will be retained in the UK and there must be an end to outsourcing in this way. Any job losses in the UK need to be negotiated to ensure that at least there is no compulsory redundancy or loss of editorial integrity and that BBC management goes forward with the wholehearted support of employees and the confidence of the wider community.

10.20 am

Mr. Fabian Hamilton (Leeds, North-East) (Lab): I welcome this debate introduced by the hon. Member for Hammersmith and Fulham (Mr. Hands). After the debates of my hon. Friend the Member for Selby (Mr. Gerguson) in recent months and years, it is important to keep debating what the World Service is doing and why it exists, and monitoring its progress. I am grateful to the hon. Gentleman for reading a quote from the recent Foreign Affairs Committee report in which I took part. I agreed wholeheartedly with what we wrote at the time, and he is absolutely right that a lot of it has come to pass. We were concerned at the time.

As Members may know, the Foreign Affairs Committee has an oversight role for the World Service, which comes under the auspices of the Foreign and Commonwealth Office, and we therefore take a great interest in it. We were concerned that the hon. Gentleman would raise the issue of the Russian service, an issue that has been raised with me on recent visits to Moscow, where I am a regular visitor, as I know he is.

I wanted to understand the rationale. I, too, have spoken to Nigel Chapman, the outgoing director. I received responses to the concerns, and I will quote a couple of them. First:

"The BBC will continue its strong commitment to the BBC Russian Service and to its role as a trusted, influential and editorially independent news provider."

Secondly, because I too was concerned about this:

"Far from dropping analytical and cultural programming, as has been claimed, the BBC Russian Service is strengthening the provision of journalism about politics and culture, and giving it space within high-profile programmes seven days a week…We are also increasing the current affairs reporting of British cultural and social affairs."

I am not a Russian speaker, so it is difficult for me to monitor what is going on. I can find out only on my visits to Russia, which are reasonably frequent.

We should not underestimate the problem of not having an FM partner. The hon. Gentleman drew attention to it and to ways of getting around it, and I hope that the World Service will look into them, but if the Russian authorities and Russian FM partners have withdrawn co-operation, that makes it a lot more difficult, as he acknowledged. I hope that the World Service will continue to explore the suggested alternatives.

We should not underestimate the potential of internet broadcasting. As the hon. Gentleman pointed out, saturation of broadband and internet access is low, but there are quite a number of internet cafés in major population centres that have good access. That would not allow as much penetration as is wanted throughout the whole of Russia, but it would allow broadcasting in certain population centres where people have access to the internet. That is part of the whole picture. I would not underestimate the importance of using the internet, although, as has been pointed out, of course we should not put all our eggs in one basket.

Shortwave still exists but is a dying medium, and medium-wave broadcasting is not listened to nearly as much as FM. Only if we strengthen FM through other collaborations, perhaps outside Russia, will we again increase listening figures for the World Service. However, I am glad to hear from the World Service itself that it is still committed to Russia. It is important that we take up the points made by my hon. Friend the Member for Hayes and Harlington (John McDonnell) to ensure that we do not give up our editorial integrity. We must maintain that integrity from this country and ensure that it is not sent offshore, as he pointed out.

My hon. Friend the Member for Bassetlaw (John Mann) made a good point. I support totally his proposal regarding the Olympic games. It would be good for the World Service to enhance its output considerably during the course of the games.

I shall touch briefly on an issue that the hon. Gentleman talked about and on which I intervened: the Arabic TV service and the forthcoming Persian language TV service. I had my reservations when the idea of a Arabic service was mooted, and I had a number of discussions with Nigel Chapman and his colleagues at the World Service to express my concerns and hear their responses. As we all remember, al-Jazeera comprises people who used to work for the previous BBC Arabic TV service. After that was closed down, they moved to al-Jazeera, which has been hugely successful in the Arab world and outside it.

It is important that the values of democracy, openness and freedom of speech that we espouse and take for granted here in the west, and which we practise so well in Britain through the BBC, should be broadcast. Despite my initial reservations, I wish the Arabic TV service well. I hope that it becomes a genuine competitor of al-Jazeera to provide much-needed diversity in the Arab world.

When I first came across the World Service's Persian language broadcasts—that was a few years ago, when I joined the Foreign Affairs Committee—Baqer Moin,

[Mr. Fabian Hamilton]

an award-winning journalist, worked there, although he has since left. People might remember him, as he won many awards for his work. He did a lot to promote the Persian language radio service as a precursor to the Persian television service.

To expand slightly on my brief intervention earlier, we spent a week in Iran. From travelling outside Tehran and talking quite freely to a number of people in the two centres that we visited, Tehran and Isfahan, it was clear that the BBC World Service is not just an important source of alternative news to that supplied by the state-controlled media in that country. For a news-hungry and inquisitive population who want to know what is happening outside their country in the rest of the world, BBC English language broadcasts are an important resource for learning and understanding English in Iran. There is a huge hunger to speak English, learn English and watch English movies—not just American ones but British ones as well—and a huge respect for the World Service. Indeed, when one of my colleagues and I were looking around the stalls in a bazaar in Isfahan, a young man, perhaps 20 years old, came out and started talking to us in very good if slightly broken and heavily accented English. I asked him, "Where did you learn that English?" He said, "I listen to the BBC World Service."

I leave the Minister with this thought: we often underestimate the importance of the World Service to many countries. I will not repeat what was said about the Thai service. In hindsight, it is regrettable that it closed, and I hope that that will be a lesson. However, the BBC World Service is trying to adapt to difficult times, often in difficult circumstances—we know how difficult it is in Russia at the moment—to maintain the broadcasts and services that populations find so essential, as has been repeated many times in this Chamber. Long may it continue. We must adapt. I hope that the World Service will listen carefully to this debate, and that the Minister will respond appropriately.

10.28 am

Mr. Edward Davey (Kingston and Surbiton) (LD): I congratulate the hon. Member for Hammersmith and Fulham (Mr. Hands) on securing this debate and on the detail that he used in questioning the Minister and the BBC World Service. He made some serious allegations. Other Members made important points. The hon. Member for Hayes and Harlington (John McDonnell) made a significant contribution about the localisation of editorial control, which I hope will receive an answer from the Minister in due course.

I have one concern with some of the remarks made. As a relative newcomer to the issue, I have had two meetings with Nigel Chapman. The issue that I wanted to focus on with him was how independent the BBC World Service was of the British Government. Clearly, there are financing streams, and money comes from the Foreign and Commonwealth Office budget, but as we insist on the BBC's independence in this country, I would be concerned if the World Service were a mere pawn of the Foreign and Commonwealth Office. None of the hon. Members who have spoken today has suggested that that is the case. However, it is important that the BBC World Service be independent from the British Government of the day.

When I was pressing Nigel Chapman on that point, I tried to see how responsive the BBC World Service could be in its budgets and in its services to political trends in the world and different foreign policy challenges. The BBC World Service talked of the new services in Arab countries and talked of BBC Persian, and clearly they are very welcome developments. Arguably, however, they have taken quite a while to feed through from some of the foreign policy challenges that are facing the world. Inevitably, therefore, the BBC World Service is slightly delayed in its reactions, which is probably correct, to ensure that the trends are real and genuine and that it is not having to shift major programmes and major schedules around because one major event has happened. So, in discussing foreign policy and relating that to the vital role that the BBC World Service performs, we need to bear in mind how immediately responsive we think that the BBC World Service should be.

That is particularly apposite to the issue that the hon. Member for Hammersmith and Fulham has focused on, namely the BBC Russian service. That is because for quite some time it looked, as the hon. Member for New Forest, East (Dr. Lewis) quite rightly reminded us, as if the trends were going in the right direction. It is arguable how recently those trends have been reversed. Clearly, however, last summer we saw the biggest reversal, with the crisis in South Ossetia. What I am trying to say is that we should not expect the BBC to react to that development immediately. It needs to consider it in its long-term planning, and that is appropriate.

Despite all of the cuts, for which there need to be answers and justifications—I absolutely accept that point—let us remind ourselves that the BBC Russian service remains the second biggest language service within the BBC World Service. That is as it should be, but it is important to have a balance in this debate and remind ourselves that, after all these changes, the BBC Russian service is still one of the BBC's premier language services.

I accept that hon. Members were concerned about the future and also about changes that are happening now that might affect the quality of the BBC World Service in due course. However, when I have looked for evidence of how well the BBC World Service is carrying out its tasks, the evidence suggests that it is doing incredibly well. Survey evidence shows that audiences across the world have very positive feelings towards the BBC World Service. It has a global reputation that remains unaffected.

When one looks at some of the key markets that the BBC World Service works in, the BBC briefing that I have—I confess to colleagues that I am reading from a BBC briefing, but that does not mean that it is not impartial and well-sourced—shows that, in seven key markets in the world, the BBC scored highest among international broadcasters for trust and objectivity. That is a fact. Therefore, we should show some degree of caution before we completely downplay the quality of the BBC World Service.

I was particularly concerned by at least one remark made by the hon. Member for Hammersmith and Fulham, when he was talking about the professional journalists within the BBC Russian service. He was making a point, which was fair, that the current leaders of the service are not all fluent Russian speakers, that they have not had their language skills improved and therefore that they were more reliant on what he described as

Soviet-era journalists. The impression that he was giving was that somehow those journalists were not as professional and independent as other journalists. Perhaps he was not intending to give that impression, but certainly those of us who were listening to him got that impression. I regret that, because he had no evidence for making that particular accusation.

The other issue that has been completely missing from this discussion is budgets. These services cost money and it is almost as if colleagues were thinking that there were no financial constraints whatsoever. We know that the Foreign and Commonwealth Office has got the money that it puts towards the BBC World Service on a tight leash. There is a 3 per cent. annual savings target, which amounts to £23 million in efficiency savings that must be found in the next three years. That is quite a high proportion of the budget for the BBC World Service. Those savings either have to come from somewhere or colleagues must say that they want to see that budget increased.

Ultimately, it is a question of priorities. Things are changing across our world. We are seeing the very important rise of China, which the BBC has been responding to. We have seen the issues in the Arab world and in Iran, which colleagues have quite rightly focused on. So the BBC World Service, like other organisations, must choose its priorities.

The hon. Member for Hammersmith and Fulham talked about some of the detail of the technology involved in producing the BBC World Service. However, he was relatively dismissive of the move towards the internet. As I understood it, his argument was, first, that few Russians have access to the internet and those that do have lower quality internet access than we are used to in Britain and, secondly, that there was a danger that the Russian authorities could copy the Chinese authorities with respect to constructing firewalls, thus reducing the impact of the internet.

I must say that I am surprised by both of those arguments. The use of the internet is rapidly rising in countries such as Russia, and there is quite some evidence for that growth. First of all, the internet is the future technology, so the BBC is right to reprioritise resources towards it. Secondly, the idea that the Russians will be able to copy what the Chinese do is quite farcical. I had a very interesting trip to Beijing this summer and I talked to some of the Chinese so-called communists about the way that they are managing not just the media but many aspects of change in China. I must say that their ruthless efficiency, discipline and control are in absolute marked contrast to what one sees in Russia today. I really do not think that the concerns that the hon. Member for Hammersmith and Fulham expressed are valid. What was also interesting in the readings and discussions that we had in relation to that visit to Beijing was how the firewall itself is not as effective as the Chinese authorities would like it to be.

The other issue that I feel has not been raised enough in this debate is the challenges that the BBC World Service faces on the ground, including the intimidation that it receives from Governments and the technological challenges, all within restrained budgets. When we debate the BBC World Service, of course we are right to hold it to account and to urge it to meet the highest possible standards of journalism and objectivity—"objectivity with a mission", as the hon. Member for New Forest, East put it—but we also must understand the dilemmas that it faces. We should be praising some of the journalists and managers of the BBC World Service who operate fantastically well in such difficult circumstances.

My final point links a little bit to this issue of the challenges on the ground but it also relates to a foreign policy issue that I wanted to place before the Minister, given this opportunity, and I hope that it will have an echo in the BBC World Service. That issue is the crisis that is about to erupt in Ukraine. This story has not been covered well in the British media and it has not been voiced very well in this Parliament, but there are increasing concerns that Ukraine is facing a political, social and economic meltdown, which could happen at any time in the next few months, with massive implications for the security of energy supply and indeed for the stability of the region. I have been receiving quite a lot of messages from Ukrainians who believe that even their own Government are not aware of what a knife-edge Ukraine is currently on. I wondered whether the Foreign Office is doing anything about that issue and making representations, both within the EU and elsewhere, and whether the BBC World Service, in its Russian service, is reflecting that issue in its broadcasts.

I believe that it is right in a debate such as this to challenge the BBC World Service, but it is also right that we balance our questions with our wholehearted support for the excellent work that it does.

10.40 am

Mr. Keith Simpson (Mid-Norfolk) (Con): It is a great pleasure to serve under your chairmanship, Mrs. Humble. Let me begin by congratulating my hon. Friend the Member for Hammersmith and Fulham (Mr. Hands) on securing the debate and on the questions that he put to the Minister, about which he feels strongly.

Like the hon. Member for Kingston and Surbiton (Mr. Davey) and all other hon. Members who have spoken, I think that most people regard the BBC World Service as a national treasure. It deserves ringing compliments on the services that it offers, especially given the difficult circumstances in which its members work and the financial constraints that apply, of which we are all aware. That should be placed on the record.

Equally, however, as my hon. Friend has said, a number of questions need to be asked. Some of those questions have come out of the Select Committee on Foreign Affairs report, and some come as a result of feelings that Members genuinely hold. They are meant not as carping criticism, but as a way of expressing our deep concerns about some managerial aspects of the World Service. We recognise that the Foreign and Commonwealth Office has a role in this issue, although I do not believe that it is trying to control the BBC World Service, even indirectly, through its budget. However, I pick up the point that my hon. Friend the Member for New Forest, East (Dr. Lewis) made: it might be time for the Foreign Office to review budgetary and managerial aspects of the World Service, as well as the service's relationship with the FCO and other Departments. This is not about setting up a patsy; such a review would probably do both the World Service and the FCO a lot of good, and I hope that some positive things would come of it.

[Mr. Keith Simpson]

I have referred to the World Service as a national treasure, and perhaps it could employ another national treasure who has recently been sacked by another part of the BBC—Mr. Ed Stourton. He is a serious and heavyweight commentator who actually allows people to get a word in edgeways when he interviews them—I see the Minister is nodding—and he is no patsy. In terms of adding a heavyweight to the World Service, I put in a plea for Ed Stourton.

I shall not repeat all the points that have been made by my hon. Friend the Member for Hammersmith and Fulham and other colleagues, as the time available is limited and I know that the Minister wants to reply fully. Instead, I shall pick up on two or three important points. First, there must be a better way for the BBC World Service and the Foreign Office to project likely major shifts in where they will want to place their resources. It is easy to say, in retrospect, that wrong decisions were made a decade ago about cutting back on the Russia service, but we need to consider that closely.

Secondly, I should like to address the important issues that the hon. Member for Kingston and Surbiton rightly raised about performance, budgets and proposed budgetary squeeze. Obviously, the overall FCO budget is being affected by the sharp fall in the value of the pound, and that has reduced the purchasing power of local budgets from many overseas posts. Will the Minister tell us what impact appreciation has had on the operations of the World Service and the British Council?

On cuts, the service closed 10 of its language services on radio in 2006 to release a further £10 million of funds for reinvestment. We understand the difficult budgetary pressures facing all arms of Government, but will the Minister commit to providing transparency and openness about those matters, including through regular reporting to Parliament? Are further cuts in World Service operations likely as we go through a period of major recession? I am not making a party political point—most people realise that we are going to go through a recession. Given the major squeezes in Government Departments, has the Minister done any thinking, within his Department, about the level of cuts?

My final point, which my hon. Friends and other hon. Members have raised, is about recognising that the World Service operates in a radically different world to that of 20-odd years ago. Power has shifted quite dramatically, largely from the base of the United States, Europe and the old Soviet Union to the rest of the world, and that brings major challenges. The World Service and the old Voice of America used to be literally the only voices speaking to large parts of what we now call the developing world. All Members have expressed major concern about pressures being brought to bear, either from within the World Service or by countries that work with it, to constrain the kind of news that is put out, let alone about the physical intimidation of journalists who wish to broadcast for or work with the service. That is not an issue only for the World Service; it is also for the FCO to address. I know that the Minister and other colleagues are only too well aware of the direct intimidation of previous British ambassadors and FCO staff, not only in Russia, but in other parts of the world. How does the Foreign Office see that issue developing?

It will be a sad day throughout the world if the feeling grows that the service, despite its high ratings, is having to editorially moderate what it says, or if it gives the impression that certain people will not be allowed to broadcast on it. Let us remember that the BBC World Service was a voice of democracy and liberty to our parents' and grandparents' generations, including not only former members who lived in the Soviet Union, but the millions who were occupied under the Nazis and under the imperial Japanese in the far east. That was not academic, but was of fundamental importance, and we should cherish that.

10.47 am

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): It is a pleasure to serve under your chairmanship, Mrs. Humble. Let me start by congratulating the hon. Member for Hammersmith and Fulham (Mr. Hands) on securing the debate. He spoke with passion and conviction, but, as will be clear when I comment on some of his points, I do not share all of his views. Nevertheless, his conviction, interest and detailed knowledge of this subject are clear.

Like every hon. Member present, I share the view that the World Service is an enormous cultural, political and diplomatic asset to this country, and is of immense value. It is important to clarify how the service operates vis-à-vis Government. It is rightly editorially, operationally and managerially independent, and I caution against the argument that the Government should have a more hands-on role in managing it, as that would not be in any of our interests. Nevertheless, there is a relationship, and strategic plans are agreed between the World Service and the Foreign and Commonwealth Office. We discuss where and how the service operates, and then rightly leave it to get on with putting its strategic plans into action.

The service has recently come up with a renewed strategy based on four key decisions, the first of which is that it will increase its Arabic television output from 12 to 24 hours a day. Secondly, it is to launch a Persian TV service, and, thirdly, it is to close its Romanian service. Fourthly, it has decided to restructure its Spanish and Russian language services, including with new investment. I shall address each of those important proposals in turn and explain why the Foreign Office supports them.

First, Arabic television and the move to 24-hour broadcasting is strongly supported not only by the Foreign and Commonwealth Office, but by the Select Committee on Foreign Affairs and by the relevant House of Lords Committee. Outside English, Arabic has historically been one of the BBC World Service's highest-priority language services, and it remains so. The middle east and the Arabic-speaking world remains at the forefront of our diplomatic objectives and priorities, and it will do so for a long time. Therefore, the change to 24-hour broadcasting was important and, in order to achieve it, the World Service secured from the Treasury additional funding for the move—a decision that we very much welcomed.

Secondly, Iran and Afghanistan are two further top priorities for the Foreign Office. Our analysis has shown significant demand in those two countries for a television service focusing on news, information and broader programming. Again, additional funding was forthcoming during the comprehensive spending review—a decision that we very much welcomed.

I shall now discuss the restructuring of the Russian language service, an area in which I take issue with some of the things that the hon. Gentleman said. Russia rightly remains the World Service's second-largest language service in terms of budget and hours broadcast, and it is an important market for the World Service. Similarly, and rightly, Russia is for political, economic, social and cultural reasons a key priority for the Foreign Office, and I want to make it clear up front that neither the World Service nor the Foreign Office has ever had any intention of reducing the impact of the World Service's Russian language service. In fact, the opposite is true. The intention has always been to increase the impact of the language service in Russia by ensuring that the service is relevant to its audiences and reaches them by the most effective means possible. The World Service rightly evaluated the Russian language service's performance and, bluntly, thought that it could do better. We agreed with that assessment. Radio broadcasts were not meeting their full potential, and not enough was being made of the increasing online market. For example, during the recent Georgia crisis, online use increased from 1.3 million unique users to 3 million, and that included the accessing of a high number of video streams. It demonstrated that there is already an online market in Russia, and I believe that it will expand over time. So, the World Service rose to the challenge in the right way, and several changes have been made.

Mr. Hands: The Minister paints a very rosy picture and talks about new investment in the Russian service, but will he explain why the Russian service's listenership has totally collapsed? According to the information that Nigel Chapman gave to me in July, I can report that it is down to 600,000. By way of comparison, in Nigeria, a country with a similar population size, there are about 25 million listeners. Will the Minister offer an explanation as to why listenership has totally collapsed in Russia?

Bill Rammell: I am not sure that those figures are wholly accurate, so I shall correspond with the hon. Gentleman afterwards. However, there are a number of factors, and the position of the Russian authorities vis-à-vis the World Service will influence World Service listenership in Russia.

The key changes were an extension of high-quality news and current affairs at key times of the day; increased cultural output in extended editions of the World Service's peak-time flagship programmes; an increase in the current affairs reporting of British cultural and social affairs; and, crucially, greater investment in the BBC's Russian service. All those measures represent moves in the right direction.

Moving on from that, I should like to respond to a number of points that were made during the debate. I began by saying that I respect the hon. Gentleman's motivation, although I am concerned that several of his points imply far greater hands-on political control of the BBC World Service by the Government. I think that that would be wrong and, frankly, I believe that it would be deeply unhealthy for politicians to decide directly the editorial content of programmes throughout the world.

Dr. Julian Lewis: My hon. Friend never suggested that.

Bill Rammell: Let me—

Mr. Hands: Will the Minister give way?

Bill Rammell: Let me make some other comments.

Some of the other comments from the hon. Member for Hammersmith and Fulham cause me concern. He mentioned the BBC Persian service and quoted a letter from—I believe—a constituent, who said that the service sounded like Iranian state radio. I must say that anyone who has seen BBC journalists in many different parts of the world will attest to their integrity, independence and robust challenging of authority.

Mr. Hands: Will the Minister give way?

Bill Rammell: I shall briefly give way on that point.

Mr. Hands: Let me begin by clearing up the first point. I did not in any way suggest that the Government intervene in editorial comment; it was more that they might intervene to secure the ability to broadcast, to help with infrastructure and to extend the BBC Russian service.

On the second point, the e-mail that I received was a way of illustrating the problems that one will have with the television service as opposed to the radio service if one is not able to gain access to the country. I was not in any way suggesting that the e-mail represented the sole view about the BBC Russian service[1].

Bill Rammell: We certainly take a keen interest in securing access for the BBC World Service, but I cannot quite see the purpose of a Member quoting in this Chamber a constituent who says that the BBC World Service is akin to Iranian state television, unless it is to suggest that there is a degree of truth in it. It is a view that I wholly reject.

The hon. Gentleman also said—I am paraphrasing—that, effectively, the BBC is holding its fire for fear of offending the Russian authorities, but I find no evidence for that statement whatever. It is not borne out by the evidence. He asked me several other detailed questions, including whether the advertising process for the director of the World Service will be open, and open to external candidates. I can reassure the hon. Gentleman that, on both points, they will. He also suggested that there ought to a memorial to those who have served the World Service. I have not dealt with that issue, and it is not my direct responsibility in the Foreign Office, but I shall talk to colleagues, because it is an interesting suggestion and, if it finds support, we will put it forward to the BBC.

May I also clear up the financial issue? Part of the claim put forward was that the changes to the 24-hour Arabic service and the launch of Persian television were leading to reductions in the Russian service. That is most emphatically not true. Additional funds were brought forward through the CSR for those two initiatives, and the Russian service will remain the second-largest service in terms of broadcast news and budget spent.

1. *[Official Report, 12 January 2009, Vol. 486, c. 2MC.]*

[Bill Rammell]

The hon. Gentleman also talked about the Persian service staff's ease of access to Iran, and there have been problems in that regard. The Persian television service will face difficulties collating internal Iranian footage. Therefore it will use, first, Reuters and AFP pooled footage, secondly, footage from the mainstream BBC, such as from its "News at Ten" programme, and thirdly, video blogs from journalists and viewers. My hon. Friend the Member for Bassetlaw (John Mann) also put forward an interesting proposal, which I shall refer to the BBC.

I would describe the hon. Member for New Forest, East (Dr. Lewis)—I do not believe that he will take offence at this—as an ideologue.

Dr. Lewis: *indicated assent.*

Bill Rammell: The hon. Gentleman nods. He put forward the view that the BBC's purpose is objectivity, with a mission to promote British values, and I must say that one British value that I subscribe to is a free and independent media, whereby the state broadcasting corporation is able to challenge, to scrutinise and to say uncomfortable things that do not necessarily suit the views of the Government of the day or the prevailing ethos. Therefore, I would not be comfortable going down the road that he suggested.

Dr. Lewis: I am sorry but I was talking about western, liberal and democratic values, and I really wish that the Minister would stop setting up Aunt Sallies and misrepresenting the Opposition's genuine concerns.

Bill Rammell: I do not believe that the purpose suggested by the hon. Gentleman is the purpose of the BBC. Its purpose is to put forward a variety of views, and the most effective way of challenging those views with which we fundamentally disagree is to scrutinise and oppose them through a free and independent media.

Finally, I respect the conviction of my hon. Friend the Member for Hayes and Harlington (John McDonnell) in representing his constituents, and the BBC is working, and will work, with staff to achieve its objectives. As a part of that process, their interests very much need to be taken into account.

We have had an interesting debate, and several Members have referred to the fact that such debates about the role of the World Service and how it operates ought to take place regularly. That is a view with which I very much concur.

Christians in Iraq

11 am

Mr. Edward Leigh (Gainsborough) (Con): It is a great privilege to open what I believe will be a very important debate. I have tried to secure it in the ballot for some months, and I am delighted to have done so.

Why is this subject so important? It is important because we are talking about a massive humanitarian disaster and the fate of the Christian population in Iraq. It is one of the oldest Christian populations in the world, having been settled there for 2,000 years, and is descended in great measure from the ancient Assyrians, who had been there for thousands of years. It is an historic, settled population. Just five years ago there were 1.2 million Christians in Iraq, and now there are only 600,000 left. There has been a massive flight of Christians from Iraq and it is reckoned that although the Christian population is as low as 4 per cent., perhaps as many as 30 per cent. of the Iraqi refugees in Syria are Christians.

The terrible humanitarian disaster is continuing even as we speak. Even since September 2008, at least 14 Christians have been killed in Mosul and at least 2,000 Christian families have fled the city since 2003. It is not just about people leaving the country—at least 700 Christians have been murdered. The situation is very serious indeed.

David Taylor (North-West Leicestershire) (Lab/Co-op): I congratulate the hon. Gentleman on securing this long-awaited and long-delayed debate. Does he agree that the half of Christians who have left Iraq have done so because of persecution, the abuse of human rights and so on? Yet when they apply for asylum in countries such as our own, they are far too often classified as economic migrants. They would love to go back to the jobs that they had and the businesses that they ran. Does he agree that something needs to happen in the upper echelons of our own Government so that people are classified correctly when they apply for asylum in this country from the awful conditions that they have had to endure in Iraq?

Mr. Leigh: Of course I agree with that. I was about to say that I have some personal experience of visiting Iraq and talking to such people. They are often targeted because they are perceived as having wealth, although they are not particularly wealthy. They want to go on living in Iraq, because they have businesses there and want to get on with their lives. They are not economic migrants, because they do not want to leave Iraq. From talking to them, I have no doubt that they are genuine refugees.

I visited Iraq in September as a guest of the Assyrian Democratic Movement, which is the main party representing Christians in Iraq with about 80 per cent. of their vote. I had an opportunity to visit northern Iraq; I think that I was probably one of the first British MPs to go around the villages of the Nineveh plain, just north of Mosul, and up into northern Kurdistan to visit villages close to the Turkish border. I had many packed meetings in villages in the Nineveh plains and in the mountains south of the border. I think that I am one of the few British MPs to have penetrated into that part of Iraq, so I have a story to tell.

Bob Spink (Castle Point) (Ind): Will the hon. Gentleman give way?

Mr. Leigh: I will give way to the hon. Gentleman, as long as he guarantees to stay until the end of the debate. Does he guarantee that?

Bob Spink: Well, I do not normally—

Mr. Leigh: No, then I will not give way. The hon. Gentleman has a bit of a reputation for coming in, making interventions, getting his name on the record and leaving.

Bob Spink: I will stay to the end of the debate.

Mr. Leigh: Good. I give way to the hon. Gentleman.

Bob Spink: I do not normally give such guarantees, and conditions are not normally placed on Members when they intervene.

The hon. Gentleman said that he was perhaps the first British MP to go to those areas. I went to Iraq just after the war and was there as it was being declared. I met members of the Christian community and their political and church leaders, so I, too, have had discussions with people in Iraq. I have seen what the Kurdistan Regional Government have been doing to discriminate positively in favour of the Christian communities and to try to help them. We all know that more can be done, but let us at least acknowledge that the British Government have a duty to try to make the situation better out there and to support the KRG in their positive efforts to help people.

Mr. Leigh: I thank the hon. Gentleman for his intervention. That is the purpose of the debate—we are sitting here in the presence of a British Minister, and there is no doubt that we have a responsibility in the matter. I shall not go over all the arguments about whether it was right to invade Iraq. Everybody knows my views, and we shall now look to the future. The British and American Governments have a responsibility, because there is no doubt that the position of Christians in Iraq has got immeasurably worse since the invasion in 2003.

I add straight away that I am no apologist for Saddam Hussein. I have talked to many Christians who were persecuted by him or conscripted into the terrible war with Iran. I went to their villages, and as the hon. Gentleman said that he has visited northern Kurdistan, he may well have visited them himself. I saw villages that had been bombed, and I say to him that I am not pro-Kurd or anti-Kurd. The Kurds suffered terribly under Saddam and fought side by side with the Christians. They were displaced and fled into Turkey. However, I have also talked to many Christians who are still suffering in Kurdistan, and I shall turn to that point later.

Mr. William Cash (Stone) (Con): My hon. Friend knows well that I supported the invasion of Iraq, which was done in order to bring about democracy. Does he not agree that democracy carries with it an absolute requirement of the protection of minority rights? It ought to carry with it the protection of the Christians, but it has been greatly abused. That seriously undermines a case that was made about the war. The authorities have an obligation to do more than just provide $900,000 to help Christian families.

Mr. Leigh: That is right, and we bear a responsibility. The Christians are a very small part of the total population of Iraq, and there is absolutely no danger to the Sunni, Kurd or Shi'a populations of Iraq. The Christians have a large stake in the political process, but at the moment the Assyrian Democratic Movement, which gets 80 per cent. of their vote, has only one MP to represent them because of a bit of fiddling around with the voting system. That is a worrying denial of democracy, and we have a responsibility.

Funnily enough, Christians in Iraq are persecuted because they are quite wrongly considered the agents of the west. They are simply ordinary business people who want to get on with their own way of life in a settled, secure environment. They are a very small part of the population and no threat to anybody. It was emotional and moving to go into the ancient villages in the Nineveh plains and visit ancient monasteries that have been there for the best part of 2,000 years. I saw the tomb of the Old Testament prophet Nahum and read what he wrote thousands of years ago:

"Your people are scattered on the mountains with none to gather them."

How extraordinary that those words are still true today and that those people are being scattered and persecuted.

When I went to the Nineveh plains, what struck me was that there was a sense of security in those ancient, entirely Christian villages. I met many displaced people who had come up from Basra and Baghdad to settle in the Nineveh plains, and I heard some absolutely heart-rending stories. I met a young girl who had lost her parents and her sister—they were murdered. I met a widow who had lost her husband and was now caring for a disabled son. Her husband was murdered in what can only be described as an anti-Christian pogrom. A quiet, cool and collected lady was sitting there listening to the appalling stories, and she finally came and told us her story. Her husband was a deacon. On the way back from church, he was killed—he was blown up by a bomb—and then her daughter disappeared. At that stage, she broke down and burst into tears, and we could not carry on the interview. We subsequently heard that she had never seen her daughter again. Imagine the anguish of that lady: she lost her husband, who was killed in a roadside bomb, and then her 18-year-old daughter, who disappeared and was probably murdered.

Those are just three of the many terrible stories told by ordinary people who have no interest, and have never shown an interest, in politics. They just wanted to get on with their lives in the suburbs of Baghdad but have had to flee to what they consider to be a kind of safe haven in the Nineveh plains.

David Simpson (Upper Bann) (DUP): I congratulate the hon. Gentleman on securing this worthwhile debate. He has outlined some horrific stories, and he will be aware of the case of Asya Ahmad Muhammad, who was sentenced to five years' imprisonment at the age of 14 after fatally stabbing her uncle while trying to defend her family, who were being attacked for converting to Christianity. Would he agree that the doctrine of treating non-Muslims as "dimmys"—that is the terminology

[David Simpson]

that is used—or second-class citizens is unacceptable? Does he believe that there is a duty on the Government to apply more pressure, not just on Iraq but on other Islamic countries, to end that stance in respect of their own citizens?

Mr. Leigh: It is interesting that the hon. Gentleman makes that important intervention. In a conversation with an Orthodox priest, I asked, perhaps rather naively, what would happen if somebody converted from Islam and joined his congregation. I had just attended an extraordinary, moving service at his church. The whole village turned up. These churches are entirely bare: there are no icons or ornaments. The priest gives a simple service in Aramaic, which was the language of Jesus Christ. These people are the last speakers of Aramaic.

As I said, when we were having coffee with the priest after the service, I asked, rather naively, "What would happen if somebody from the local Muslim community wished to join your church?" He said, "They could join my church today, but tomorrow they would be dead." There was no doubt about that—it was no exaggeration. One simply cannot evangelise in Iraq or, indeed, in most Muslim countries, and if people seek to convert, they will be killed.

On the hon. Gentleman's intervention, the people who have suffered like that are genuine religious refugees. There is no way in which they could possibly be considered economic migrants. We have a duty of care to them, but our greatest duty of care is not to try to pick up the pieces when they flee, as is happening. That ancient community is fleeing to New Zealand, Greece, Australia, America and this country. Our duty is surely to help them to stay in their own country, which is what they want to do.

It was soul destroying to go around the villages and talk to the old men and women who, generation after generation, had ploughed and tilled the land. They wanted to stay—they had no choice but to stay—but the young people all wanted to go to America. How tragic that is. I know from my own experience, because my wife is of Russian extraction, that once someone leaves their country, they lose their roots and language. The Aramaic language would be lost for ever. This is not just a humanitarian disaster but a cultural disaster of massive proportions.

There is one thing that we can do. As I said, I had conversations with people in the mountains. I just say to the hon. Member for Castle Point (Bob Spink) that I have nothing against Kurds. They have suffered terribly, and they, too, are under huge economic pressure, but Kurdistan is, in effect, an independent state. One never sees the Iraqi army or the Americans there. The area is run by the peshmerga and is, in effect, an independent state.

There is ample evidence—I can provide the Foreign Office with all the evidence that it needs—that at least 58 villages with a Christian population have been partially or wholly expropriated by Kurds. That happens in a subtle way. It does not happen as it did under Saddam, who used bombing. It is not as cruel as that. There are no chemical attacks or anything like that—nobody is suggesting that.

I myself saw what happens. I was with an old man in a village in an area with a dominant Kurdish population, and some kids from the next village came along. They were starting to take bits of the vineyard, and he tried to shoo them away. He told me that when he had done that a couple of months earlier, he had been beaten up.

Expropriation happens gradually. Then the case goes to court, the court agrees—"Yes, you have the title deeds to the field, and your family has been tilling it for generations"—and makes a judgment, but nothing happens. There is a process in Kurdistan of villages gradually losing a field here, a house there, yet the people have no effective representation in the Government.

There is one place in Iraq where Christians could have some kind of safe haven: the Nineveh plains. They are not the majority of the population there, but they are the single largest ethnic group. They are happy to live there with the Arabs and Yazidis. I must admit that I had never heard of the Yazidis before I went to Iraq. Again, they are a small religious ethnic group in Iraq, and we want to try to keep them there as well and to protect them.

In the Nineveh plains, the Assyrian Democratic Movement, which, as I said, has 80 per cent. of the Christian vote, is campaigning for a 19th province. There are already 18 provinces in Iraq. The Christians are not interested in breaking up Iraq, or in their province seceding. They just want one province where they can work with the local Arabs and Yazidis and have some real say in the governance of the area. That would give them a sense of security and of belonging to their own country.

As I said, I spoke to many refugees. Where did they go? They either left the country altogether, or, if they wanted to stay in the country, they went to the entirely Christian villages in the Nineveh plains. They may not stay there. They may stay for a time and then, as things ease—I am sure the Minister will reassure us that things are getting better in Baghdad—they may return to Baghdad or Basra. I very much hope that when the Minister replies to this debate, he will at least keep an open mind on the creation of a 19th province around the Nineveh plains. He may say that there is divided counsel, that it is difficult to get the Baghdad Government to agree, that we do not want to ghettoise the Christians—there are always 101 reasons for not doing something—but surely we should listen to the voices of the Christian people and their democratically elected representatives. My hon. Friend the Member for Stone (Mr. Cash) spoke about democracy—that is what they want. They want a 19th province. We should at least make a start on it.

Mr. Cash: Does my hon. Friend agree that all the discussions about constitutional change and all his proposals, with which I entirely agree, will be completely undermined unless within the Parliament itself there is a guarantee in respect of seats for minorities? Does he agree that the very fact that there is a proposal to abolish the minority seats has, in effect, opened the door to the oppression to which he rightly referred?

Mr. Leigh: Yes, I agree with that entirely. I believe that we and the Americans still have considerable influence in Iraq, and that we cannot turn our back on the problem. I spoke about a 19th province, but there are

also wider issues to do with Baghdad and Basra and minority representation in the Iraqi Parliament. We have to use all the political pressure that we can muster to try to ensure that the minorities of Iraq are protected.

One further point about the 19th province is that it is only 4,500 sq km with a population of only hundreds of thousands, compared with Kurdistan which is 60,000 sq km with a population of 3.5 million Kurds. We are discussing a modest proposal, and its only point is to give a sense of security to the remaining Christian population in Iraq.

Andrew Selous (South-West Bedfordshire) (Con): I apologise for not being here at the start of my hon. Friend's debate, but I was speaking in a Statutory Instrument Committee.

My hon. Friend said that things are getting better in Baghdad. I apologise if he has already mentioned this, but he and I had the privilege of hearing Canon Andrew White speak in Parliament last week when he said that 93 members of his congregation at St. George's, Baghdad, have been killed this year. What is the most effective action that the UK and US Governments can take with the Iraqi authorities to persuade them to crack down on abuse against Christians and other minorities in Iraq?

Mr. Leigh: We must make it clear, with the Americans, that such abuse is simply not acceptable. I am glad that my hon. Friend intervened, because I want to end by speaking about Canon Andrew White. A number of us heard his moving talk last week in the Speaker's apartments. He is a man of enormous courage who has stuck it out in Baghdad all these years. As my hon. Friend said, we heard that no less than 93 of his congregation have been murdered in the past year—the past year—but his church is still growing. We—the Foreign Office and the Americans—must make it clear to the Iraqi Government that we expect the minority populations of Iraq to be protected in Basra and Baghdad.

Canon White lived through appalling violence, and when someone asked him what kept his congregation going, he said that it was love between the members of his congregation. What an extraordinary, Christian response in a dramatically horrible and difficult situation. He may say that, but it may not be enough for the Government, who must do more, and must act. That is why this debate is so important.

11.22 am

Mr. William Cash (Stone) (Con): I congratulate my hon. Friend on his strong stance on this issue, which is fundamental to our appreciation of where Iraq now stands after the war. I think I am right in saying that he was against the war, but some of us who were in favour of it—I do not resile from my views at that time—have been dismayed at the way in which certain events have developed since. We were told afterwards by the then Prime Minister, President Bush and so on that the war was a step towards democracy in Iraq, and an enormous number of people turned out for democratic elections, but as so often in countries with a Muslim attitude to constitutional matters, we are sometimes, but not always, bound to ask ourselves what such democracy amounts to.

There are lessons to be learned in our own country about some of the things that are said about our affairs and our constitutional arrangements. Above all—I am speaking in the mother of Parliaments—we have an obligation to stand strongly by the protection of minorities. If our democracy is to be taken as a beacon for the rest of the world, and if we are contributing to constitutional change in countries where we have an interest and some influence—the United States has a similar obligation—it is essential that we stand by the principles that we would apply in this country. It is with the deepest concern that I have watched what is happening to the Christian minority, and all minorities in Iraq. We must be clear about that. We cannot have a standard for democracy and insist on principle, but then say that it applies only to specific people and not to others. It is precisely because of the harrowing details of what has happened to Christians that I focus on that, which is what this debate is about, but without prejudice to my concern for other people. I go further and say that if it was a Christian country and we were exercising the sort of discrimination that has taken place historically—for example, during the French wars of religion, and so on—we would be bound to take a similar view today: that we have progressed and that modern democracy, which we now claim for its virtues of stable societies throughout the world, must be demonstrated by determination to maintain the standards that we expect to protect minorities, including Christians.

Mr. Gregory Campbell (East Londonderry) (DUP): The hon. Gentleman touches on an important point. Does he agree that an unfortunate by-product of the problems in Iraq and our debate today is that tolerance of Christians and other minorities in Iraq has been perceived as a perverse insistence on western values? Instead of demanding democracy in Iraq, it seems that some people are determined to supplant it by ensuring that it is perceived as being an imposition of western values, when it is far from that.

Mr. Cash: The hon. Gentleman raises an exceptionally important point because it is no good our saying that here in Westminster we represent certain democratic values if we do not understand what goes with those democratic values. They are universal, and they have brought peace and stability. One of the greatest problems that the world has faced has been lack of tolerance for and oppression against minorities. We must acknowledge that over the centuries we have been involved in some of those oppressions, but by no means does that carry with it anything other than our determination, by virtue of long-standing experience and the development of our democratic institutions, to ensure that those democratic values are in force where we have the opportunity to exert influence. It is no good having universal declarations of human rights, which we witnessed being celebrated the other day, or insisting on human rights generally, whether the European convention on human rights or whatever, if we are not prepared to observe what we are, by omission, not doing when we have the opportunity to exert influence and thereby to protect minorities in Iraq, and particularly the Christian minority.

As my hon. Friend said, it is estimated that in October 12,000 Christians fled Mosul and that, in a two-week period in October, 14 Christians were killed in that city. Although it is said that the authorities ordered more checkpoints in the Christian neighbourhoods, we have to bear it in mind that there are as many as 35,000 of the Iraqi security forces, combined with police personnel, in

[Mr. Cash]

Mosul city alone. One is bound to ask, when there are that number of people available, why no effective protection appears to have been given to these people.

It is also said that nobody is quite sure what has motivated the attacks. In that context, I have to say that the very fact that such attacks have taken place, and that sufficient steps were not taken to ensure that those people—those Christians—were protected, suggests, as far as I can see, although I do not know enough to know precisely, that not enough was being done and that people were standing by while some of this went on. I hope that I am wrong about that.

As I said in an earlier intervention on my hon. Friend, the Iraqi President's pledge of nearly $900,000 to help Christian families who have fled the northern Iraqi city of Mosul because of killings and threats does not do very much.

Mr. Leigh: One of the problems, as I saw, is that the writ for the Baghdad Government does not seem to apply in northern Iraq. It was only when I was in the Nineveh plains that I saw that many of the checkpoints were held not by Christians, who seem to have no weaponry at all, or have very little, and not by the Iraqi army—I never saw any of the Iraqi army—but by the peshmerga and the Kurds. In fact, the Iraqi Prime Minister has said publicly that he suspects that Kurdish militias were involved in some of the killings in Mosul. I do not know whether that is right, but clearly there is a state of chaos in Mosul and no proper control. The Christians there feel that they are utterly unprotected, which is why they are fleeing Mosul and going to their own villages in the Nineveh plains.

Mr. Cash: I am grateful for my hon. Friend's helpful intervention. If some of this is attributed to the attitudes of certain Kurdish people, they should remember that they are a minority in relation to Turkey, for example, which could easily raise the question of double standards being applied. Those hon. Members who have taken a great interest in what has been going on in Turkey will know about the rights and obligations on the Turkish people and the Turkish Government and how that gets tied up with the subject of their application to the European Union. However, the reality is that the situation regarding the Kurdish people and their connections in northern Iraq cannot be conducted on the basis of double standards.

When I read that the President of Iraq has said that the money that I have already mentioned would help to safeguard the

"rights and freedoms of Christians",

I see a recognition of my point, which is that the Iraqi Government are only prepared to put a small amount of money in, in comparison with the nature of the problem. However, what is really needed are parliamentary, constitutional and democratic guarantees. That is the way forward. It is no good throwing money—not even the limited amount that is being provided—if there is no acknowledgement of the need to recognise that the problem is much deeper and that there is an absolute obligation, in the light of the invasion and the subsequent behaviour of the coalition, to insist on constitutional guarantees.

There is talk of withdrawal. General Petraeus has said that the situation in Iraq is fragile. We know that, but we also know that there are still opportunities to ensure that the constitutional arrangements work properly and it is clear, from what we have heard, that those are not working properly in relation to the Christian people, whom I believe must be protected.

From a purely cultural point of view, it is true that, as my hon. Friend mentioned, in Nineveh the people speak Aramaic, which is the language of Christ. For the record, many people regard that as important. I am glad that my hon. Friend drew attention to that.

The Christians have been given the most terrible time in Nineveh. I am told that their numbers throughout the country are down from 800,000 in 2003 to 250,000 today. Of course, we remember the dreadful murder of the archbishop of the ancient Chaldean church, who was abducted in Mosul and murdered. In October, as I have mentioned already, 10,000 Christians got away. But the fact is that they should not have to get away; they should be able to remain. I endorse my hon. Friend's suggestion that there should be a 19th province to protect the Christians, although that should not be thought of as a ghetto—I hope that we do not hear the Minister use that word, because that would be quite offensive—but as a safe haven. That is the difference. If we look across Europe, at the issues relating to Kosovo and Ossetia, for example, the protection of minorities is a fundamental problem with a universal character. It also applies in Africa, for instance. The arguments for ensuring that there is a safe haven, as part of a constitutional arrangement in a new province, are and remain important.

I mentioned earlier that the Iraqi Parliament's abolition of a guaranteed quota of seats for minorities in the past month or two—I understand that that looks set to be amended—sparked protests by Christians. However, that was no reason whatsoever for the killings that ensued. This is a parliamentary, a constitutional and a democratic issue. I hope that the Minister, on behalf of the Government, and that we Members of Parliament, too, will make it crystal clear that pressure will be exerted to ensure constitutional protection for the Christians, together with all others, because the protection of minorities is implicit and essential.

By way of conclusion, I thank my hon. Friend for his excellent initiative in securing this debate. I look forward with interest, but also with some concern, to what the Minister has to say. If he has no clear policy to guarantee that we will exert all the necessary pressure, what is the point in universal declarations of human rights, what is the point in having a Westminster democracy and what is the point of our calling ourselves the mother of Parliaments? Are we to engage in double standards or will we ensure that the Christian minority in Iraq, in common with all minorities who are persecuted, is protected under the constitutional arrangements of our democratic system? If we do nothing, those people will die. If we do not provide guarantees—I look to the Government to ensure this—I think that our Government would stand condemned for not having done what is open to them while we are still in Iraq.

11.38 am

Tim Farron (Westmorland and Lonsdale) (LD): It is a pleasure to serve under your chairmanship again, Mrs. Humble. I pay tribute to the hon. Member for

Gainsborough (Mr. Leigh) not just on securing this debate, but on the way that he has championed this cause for some time. I defer to his first-hand experience of many of the issues that we have been talking about. I will not say much that will differ from what he and the hon. Member for Stone (Mr. Cash) have said, in terms of tone and the direction that they are going with the case that is being made.

There is a strong case for self-determination and a self-governing province—a 19th province—in the Nineveh plains. That is key to supporting the survival of Iraq's Christian community. *This is about survival, rather* than separatism.

It is important to acknowledge, although not exclusively, the work of the Assyrian Democratic Movement. It has already been said that the Assyrian Democratic Movement has consistently, in several elections, gained the support of more than 80 per cent. of the Iraqi Christian community, so as a voice of the Christian people of Iraq, it should be listened to by the Foreign Office. I hope that the Foreign Office will recognise that and enter into regular dialogue with the movement, especially at this time when, as we have heard, the very existence of Iraq's Christian community is under such threat.

Article 125 of the Iraqi constitution states:

"This Constitution shall guarantee the administrative, political, cultural, and educational rights of the various nationalities, such as Turkomen, Chaldeans, Assyrians, and all other constituents, and this shall be regulated by law."

The Assyrian Chaldeans and the other nationalities living in the Nineveh plain should have their administrative rights fully recognised, as guaranteed by the Iraqi constitution, by the granting of the self-governing province in the Nineveh plain as has been requested. Another key part of the administrative rights of the Assyrian people will be the right to participate in providing security in the Nineveh plain in the relevant districts.

In the report of his visit to northern Iraq in March and April 2008, the Dutch Member of Parliament, Joel Voordewind, wrote:

"Until now, the Iraqi government has not been able to provide the necessary security for the Assyrian Christians living in the Nineveh Plains. Therefore in this area the Assyrian Christians would like to see more possibilities to protect themselves against the violence. In 2005 and 2006 two attempts by the Assyrians to organise a protective police force by themselves on the Nineveh Plains were frustrated".

The Assyrian international news agency recently published an article entitled "Kurdish Militia, Iraqi Police Terrorizing Assyrians in North Iraq". It reported that attacks against Assyrian Christian civilians residing in the Nineveh plain had recently escalated—as we have heard—and, in some cases, at the hands of the local Iraqi police as well as paramilitary security guards. The article went on to state:

"Local Assyrians, Shabaks, and Yezidis have formally submitted the names of 800 local police to join the Iraqi Police force"—

not to be a separate militia—

"in order to provide local police and security for the Nineveh Plain. The request has been formally granted and approved by the Iraqi government in Baghdad. However, the…Lieutenant Governor…has repeatedly blocked implementation of the proposal."

The police have not only failed to provide adequate security in the Nineveh plain for the local inhabitants; they have on occasion themselves directly threatened the security of the Assyrian Chaldeans and other local residents there. The Assyrian Democratic Movement believes that local administration and policing by residents of the Nineveh plain is the only way to reverse an intolerably precarious situation, and I support that view.

Iraq's Christian community is a significant force for religious moderation in the country. Iraqi Christians and moderate Muslims are natural allies to oppose the rise of extremism in Iraq. Furthermore, one major argument for Iraq to have a secular rather than an Islamic Government is the Christian presence in the country; *Christians are still the largest religious minority* in Iraq. Supporting a self-governing 19th province in the Nineveh plain will not only greatly improve the security of Iraq's Christians, but enhance the security of other religious minorities in Iraq, such as the Yezidis. Actively supporting a religiously pluralistic society in Iraq is surely the best counter to any calls for the establishment of a clerical or Islamic republic in that country.

It is very much in Britain's and Iraq's interest to strengthen the forces of religious moderation and pluralism in Iraq, which should surely include aiding Iraq's Christian community to remain in their country by actively supporting the establishment of the self-governing province that the Assyrian Democratic Movement has consistently called for.

The British Government should also strongly urge the Kurdistan Democratic party to ensure the swift and complete return of all the Christian-owned land and houses that have been partially or completely taken from at least 58 Christian villages. The loss of such land and houses puts even more pressure on Iraq's Christians to leave the country. The Foreign Office urgently needs to be more robust and proactive on the self-governing province and the return of misappropriated Christian-owned land and houses. Simply maintaining the status quo will be no help to Iraq's beleaguered Christians, for it is the status quo that has already cost Iraq's Christian community more than half its members, as we have heard.

I want to express my strong support for the call on the Foreign Office to urge the Government of Iraq to conduct a thorough and transparent investigation into the alleged involvement of members of the establishment, shall we say, in the recent assassinations of Christians in Mosul and fully to publicise the investigation's findings.

One of the stated reasons for the British Government's decision to invade Iraq in 2003 was to bring democracy to that country, yet many of the Assyrian Chaldeans in northern Iraq have yet to enjoy the free exercise of their basic democratic right to vote, due to repeated interference with the electoral process. For example, during the January 2005 national elections in Iraq, up to 100,000 Assyrian Chaldeans were prevented from voting in northern Iraq by the blocking of the delivery of ballot boxes and papers to their areas.

The US State Department's 2005 human rights country report for Iraq stated:

"In the January elections, many of the mostly non-Muslim residents on the Ninewah Plain were unable to vote. Some polling places did not open, ballot boxes were not delivered, and incidents of voter fraud and intimidation occurred. These problems resulted from administrative breakdowns on voting day and the refusal of…security forces to allow ballot boxes to pass to predominantly Christian villages."

[Tim Farron]

What measures are the British Government taking to help to ensure that there is no repeat of such activity in Iraqi elections, such as the national elections in 2009?

The mass displacement of Christians from Mosul in September and October 2008 came soon after an Iraqi parliamentary vote to drop a provision in the new provincial election law—article 50—that protected the rights of minorities by guaranteeing their representation on provincial councils. Article 50 should surely be reinstated in the new provincial election law. With Iraq's Christian minority experiencing escalating violence, they need safeguards such as article 50 more than ever in order to help to protect their rights.

I am keen to see the British Government provide humanitarian aid to the numerous displaced families in northern Iraq and to the Christian community in that region, including those in the Nineveh plain. Such aid should not be channelled through existing authorities or the regional government, but should be given through reliable non-governmental organisations with a proven track record of helping Assyrian Chaldeans in that region. That will help to ensure that any British Government aid to those people is used to benefit the community.

Scandalously, the plight of Christians in Iraq has grabbed precious few headlines, yet it is perhaps the greatest continuing outrage resulting from the war in Iraq. As Christians in this country prepare to celebrate Christmas in peace and security, Christians in Iraq do so amid dispossession, persecution and fear. With that in mind, I call on the Minister to give the matter his urgent attention.

11.48 am

Jo Swinson (East Dunbartonshire) (LD): I, too, congratulate the hon. Member for Gainsborough (Mr. Leigh) on securing the debate, which is sadly necessary. He eloquently outlined the tragic events affecting the Christian population in Iraq that have unfolded in the past few years. His personal experience of seeing the situation on the ground has greatly enhanced this morning's debate.

The hon. Member for Stone (Mr. Cash) rightly reminded us that all minorities need protection. Other minorities in Iraq are suffering a similar plight. Indeed, this issue has sadly become a hallmark of conflicts in other areas around the world. Although this debate focuses on Iraq, it is important to remember that there are many countries where persecution on the basis of one's religion continues.

My hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) outlined the plight of Christians living in the Nineveh plains. It was particularly useful to bring up the 2005 electoral problems—the fraud, ballot box rigging and intimidation that went on. It is abundantly clear that it is no way to build a democracy when certain sections of the population are prevented from having their voices heard.

As we have heard, there are 1 million Christians in the Iraqi population, but up to half of them have already fled, either elsewhere in Iraq or to neighbouring countries, such as Syria, Lebanon and Jordan. It is a small but significant part of the population.

The violence that we have seen has escalated in recent years. In 2005, the Catholic Archbishop of Mosul was kidnapped and then released. In 2006, the Orthodox priest Boulos Iskander was kidnapped; a ransom was demanded and paid, yet he was beheaded, and his arms and legs chopped off. In 2007, priest Ragheed Ganni and three of his companions were shot dead in his church. At the start of this year, bombs went off simultaneously in Mosul, Kirkuk and Baghdad.

Throughout this year, the story seems to have become more and more bleak. The Archbishop of Mosul, Paulos Faraj Rahho, was killed in March. There was more in October; the numbers are difficult to verify, but more than a dozen Christians were killed and thousands of Christians fled Mosul in the wake of the attacks.

Mr. Leigh: I have an interesting example of that. The Assyrian Democratic Movement was asked to provide bodyguards for the Archbishop of Mosul, who was murdered. Only three or four bodyguards were provided. That is no use. I was told that if one goes to Mosul with three or four bodyguards, they will murder the bodyguards and then murder you. Andrew White, who was mentioned earlier, has 30 bodyguards. That is the terrible situation that people now face in Mosul.

Jo Swinson: The hon. Gentleman is right. I hope that the Minister will let us know whether the response of the Iraqi Government was adequate. We hear that they sent 1,000 troops to Mosul, but in the wake of such endemic violence that seems to be a rather small number. Does the Minister believe that that will be sufficient to restore order and security?

The situation is clearly grave, and it could be argued that it has become worse since the invasion in 2003. The hon. Member for Gainsborough said that he is not an apologist for Saddam, and I echo his comments. The previous oppressive regime might have restricted some of the violence that we now see coming to the fore, and the horrors of that regime have been well documented. However, it is worrying that when talking about the persecution of Christians in 2006 Rowan Williams should say that

"The situation has got worse since Saddam fell."

That is a damning indictment of our invasion of Iraq and what has happened since. The situation for that group of individuals, who want to practise their religion, has got worse.

Hon. Members in the Chamber today will have differing views on Iraq. I initially opposed the war. Indeed, I marched against it in Glasgow, alongside tens of thousands of others. However, in some ways, worse than the initial decision to go to war was the complete lack of planning and focus, by the Americans as well as our Government, to ensure security after the war. The rule of law and the rebuilding of the country was essential, but we seemed entirely unprepared to ensure it. Democracy cannot flourish without the basic rule of law and security, but that is exactly what we see for the minorities in Iraq.

Whatever our views on the war, we are obviously united in our condemnation of the violence and persecution in Iraq. Freedom of religion and belief has to be one of the most basic human rights. I try to put myself in the shoes of some Christians in Iraq. The country had an incredibly oppressive regime, torture and horrors being its hallmarks. Many families had already suffered dreadfully.

Then we had the war in 2003, which obviously caused what is termed collateral damage—religion aside, we know that tens of thousands, or even hundreds of thousands, of Iraqis were killed as a result. Many families have seen a family member or members killed. Many have become homeless because they had to flee. It must be one of the lowest and most difficult times that they have had to face. At such times, people have only their faith to help them get through. When the opportunity to seek solace in the Christian faith is denied, it is a grave and desperate situation.

Mr. Cash: I hope that the hon. Lady is not saying that, somehow or other, these problems are the consequence of the invasion of Iraq. After all, the Kurds were being dreadfully and tragically oppressed by Saddam Hussein—and so on. The hope is that we can elevate the debate to the question of whether we have proper democratic constitutional guarantees rather than dwelling on the question of whether it was right to invade Iraq.

[MR. ERIC MARTLEW *in the Chair*]

Jo Swinson: I thank the hon. Gentleman for that intervention. I have indeed moved on from whether it was right to invade. However, I would say that wherever there is conflict—this applies also to Afghanistan, where my party supported invasion—it is vital that the rule of law and security should be guaranteed. Nothing else can be built without those basics. We found it to be true in Afghanistan, and we are finding it to be true also in Iraq. Some of the tensions were certainly to be found under the surface, and some even came out into the open under the previous regime. When there is a breakdown in the rule of law, things get worse and become entirely out of hand. That is what we see in Iraq.

I turn to the role of the UK Government. What is it that we should be doing? The hon. Member for North-West Leicestershire (David Taylor), who is no longer in his place, spoke of asylum seekers—an important point, because the Government can have a direct impact.

I read yesterday in a Birmingham newspaper of a 76-year-old, Niala Melki, and her daughter, Salma Haddad. They have been living in the UK for the last five years. They fled Iraq when the conflict started. Sadly, Salma's father died before they came here, and being on their own the two women found protection difficult, given that they were both of the Christian faith. They came to the UK and have lived here for five years, but their latest appeal to stay has just been turned down. If the Government accept what is happening to Christians in Iraq, I wonder what their rationale is for saying that it is safe to deport people back to such a country, especially when they are at risk of being tortured or killed for their religion.

It is interesting to look at the figures for the period 2003-07. For example, Sweden has taken 25,000 refugees from Iraq. For the same period, the UK has taken in 260, and a further 2,680 have been given leave to remain. If we cannot improve security and guarantee the safety of Christians and other minorities in Iraq, we should not deny the clearly genuine case being made by those who seek asylum here. I wonder whether the Minister believes that it is safe at the moment to deport Christians to Iraq.

I turn to what the Government can do in Iraq. It is vital that we use our influence and lobbying power. The change in the law brought about by article 50 in October has been mentioned; it was about guaranteeing political representation for minorities. Surely the Government should be playing a role, and lobbying for it to be reinstated. Given what we have seen happening to minority communities, it is more important than ever that they have representation within the democratic structure.

I echo the call made by my hon. Friend the Member for Westmorland and Lonsdale, and ask the Government to do everything in their power to ensure that the upcoming elections are as free and fair as possible. We do not want to see a repeat of the intimidation and electoral fraud that happened in 2005. I hope that the Minister will consider the idea raised today by several hon. Members of creating a special province; it may be one way to provide the security and protection needed by the Christians and other minorities in Iraq.

I shall draw my remarks to a conclusion, as I want to ensure that the Minister has enough time—especially as the Government have plenty of questions to answer. The appalling attacks that we have seen in Iraq amount to persecution of the gravest kind. I have nothing but admiration for the courage of those Christians in Iraq, who continue to worship and follow their faith despite the risk of death. However, it is unacceptable for that to continue, so their protection is essential. The Government must look both at how they can influence the Iraqi Government's response and how they assess the claims of Christians fleeing Iraq and seeking refuge on our shores.

11.59 am

Mr. David Lidington (Aylesbury) (Con): I congratulate my hon. Friend the Member for Gainsborough (Mr. Leigh) on securing this debate on an issue that, as he said, he has been campaigning on for some time. It is appropriate that we should be debating the appalling persecution of Iraq's Christian minority as we approach the festival of Christmas. However Members voted in the original decision to intervene in Iraq, in 2003, everyone ought to feel a sense of anger and shame at the fact that, as Government sources indicate the imminent withdrawal of British troops from that country, part of the coalition's legacy will sadly be the desperate plight of Christian and other minorities. I hope very much that when the Prime Minister and the Foreign Secretary meet the Iraqi leaders they will press home the importance that Members on both sides of the House place on the treatment of minorities in a country on behalf of which a large number of British lives have been given in the past five years.

As my hon. Friend said, Christians constitute a small proportion of the Iraqi population. According to the United Nations High Commissioner for Refugees, however, about two fifths of refugees from Iraq are Christian. As several hon. Members said, although today's debate has focused mostly on the situation in the northern governorate, we must not forget what has happened to Christians in Basra and Baghdad, of which the testimony of that immensely brave man, Canon Andrew White, reminded us.

As my hon. Friend the Member for Stone (Mr. Cash) was the first to point out, we are right, too, to remember that the persecution in Iraq is directed not only at Christians, but other religious minorities—the Yazidis have been mentioned. Furthermore, my understanding

[Mr. David Lidington]

is that more than 90 per cent. of the small Mandaean community has been driven out of Iraq since the fall of Saddam Hussein.

I hope that the Minister will acknowledge the gravity of what is happening. I can understand the Government's temptation—I am not pointing a finger or making a great party political point—to take the easy line: to say that things are getting better and that the forthcoming withdrawal of British troops will set the seal on our achievement. For example, the Government have been reluctant to describe what has been happening in Iraq as ethnic cleansing. Yet the characteristics of what has been described in this debate are eerily reminiscent of what happened in Bosnia and Kosovo on our own continent.

Some important points have emerged from this debate, both for the British Government and the Governments in Baghdad and the Kurdish region. I shall deal first with the British Government's position. I understand that later today the United States Commission on International Religious Freedom will publish a detailed report on the state of religious minorities in Iraq. That document is not yet public, but in a press release—I saw it this morning—from the commission, which is a statutory body, it described the situation of Iraq's Christian communities as "dire".

When setting foreign policy objectives and judging asylum cases, the Government risk relying on out-of-date information for their assessment of what is happening in Iraq. The Government are relying on two main sources of information: an August report by the Central Office of Information and an operational guidance note for the UK Border Agency from October. According to the footnotes, however, those two assessments refer back to studies of, and visits to, Iraq carried out at least 12 months earlier. For example, they refer to UNHCR guidelines on the treatment of Iraqi asylum seekers published as long ago as August 2007, which will have relied on information collated earlier, and on a Finnish Government report from October and November 2007.

Ensuring that the information to hand is up to date is particularly important when dealing with the situation in the northern governorate, because all the information from the media, the UNHCR, and the anecdotal evidence given to Members by those from the Iraqi Christian community suggests that the situation in the north has worsened dramatically this year. I question whether the verdict of the 2007 Finnish report, on which this Government's publications have relied, that the Kurdish regional autonomous area is a "safe haven" for Christians can still be relied on. I noted too that the case law cited in the operational guidance note from the Home Office refers to cases involving the north of Iraq in 2004 and 2005.

When assessing asylum claims and deciding British foreign policy, we must take account of the most recent—and worrying—developments. On our relations with the Iraqi Government, the British Government need to urge several things: first, the need for the Baghdad Government to conduct, so far as they are able, a thorough and transparent investigation into what has happened. I urge that they bring in international agencies—United Nations agencies, perhaps—to ensure that that task is carried out impartially.

I was pleased to see that the Iraqi Parliament, in November, reinserted article 50 into the draft legislation on provincial elections. That article, which will guarantee the rights of minorities, to some extent, had been struck out earlier in the legislative process. I hope that that principle of representation for Iraq's minorities is respected properly.

What do the Government think of the proposal for a separate province centred around the Nineveh plain? As my hon. Friend the Member for Gainsborough pointed out, it would not give Christians a majority, but it would give Christians, Shabaks and Yazidis acting together a majority and governance of a local police force. Arguably, the persecution of Christians has been made possible partly because they lack a militia to protect their interests, unlike Sunnis and Shi'as. I do not know, sitting in London, whether the creation of such a province would work and be politically acceptable in Baghdad, given that it would require a change to legislation or, even, the Iraqi constitution. I can understand why Iraqi politicians feel sensitive about foreign Governments coming in and publicly telling them how to organise the internal administration of their own country. I hope that the British Government will give their attention to the issue and discuss it with their Iraqi counterparts.

Mr. Cash: Does my hon. Friend agree that it is no good using United Nations resolutions to invade and then not to insist on the implicit guarantees of democracy that go with the United Nations declaration of human rights?

Mr. Lidington: If one had to sum up the political challenge of addressing the persecution it would be to ensure that the guarantees and the admirable fine language contained in the United Nations resolutions and the Iraqi constitution are translated into reality on the ground for families living in all parts of Iraq.

There are important questions for the Kurdish regional authorities. Repeated allegations have been made—they have been mentioned during the debate—that Kurdish authorities and militias have been actively involved in acts of persecution against Christians in the northern governorates around Kirkuk and Mosul. Prime Minister Maliki himself was reported in *Gulf News* as saying that Kurdish militias were involved. I am interested to know whether the British Government share that reported assessment. There are allegations that the Kurdistan Democratic Party has been consistently implicated in persecution. Does the British Government have any evidence that that is the case?

Our involvement in the protection of the Kurdish autonomous region goes back a long time before 2003. I hope that that will enable British Ministers and officials to raise very frankly with their Kurdish regional counterparts the concerns that have been voiced during this debate. It is important that we see a change in the northern governorates ahead of the delayed provincial elections in that part of Iraq. Such elections will not take place at the same time as the elections in the central and southern governorates.

There seems to be a contest between Kurdish and Sunni Arab interests for control over disputed areas in northern Iraq, and it is the Christians and the other minorities who are caught in the middle. It is right that the international community should give voice to those

who are powerless. When those elections are called, we must ensure that there is adequate international scrutiny and supervision so that the failures in providing completely free and fair elections, which were alluded to earlier in this debate, are not repeated.

The United Kingdom will inevitably continue to carry a sense of responsibility for what happens in Iraq, even after the last of our soldiers have left. I hope that the Government accept that responsibility and will act on it.

12.14 pm

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): It is a pleasure to be sitting under your chairmanship, Mr. Martlew. May I start by genuinely congratulating the hon. Member for Gainsborough (Mr. Leigh) on securing this debate? He clearly has real passion and conviction for the issue. I know that he has taken an extraordinary degree of interest in it and has visited the country himself and has looked at the issues at first hand. That was very clear from his remarks. At this time of year, when major faiths are engaging in both reflection and celebration, this subject has particular relevance, and the hon. Gentleman is right to raise the issue and his concerns here.

I know that many hon. Members from all parties and noble Lords in another place have also strived to bring this issue into sharper focus, notably my hon. Friend the Member for Stroud (Mr. Drew), Lord Alton of Liverpool and Baroness Cox whom I met last month to discuss the issue. I also welcome the links between churches in the UK and Iraq that have helped to highlight this issue.

We have had a constructive and informative debate this morning, with hon. Members expressing their deeply held convictions and concerns. I echo the concern for Iraq's diverse communities, which have all suffered in Iraq over the past five years since the fall of Saddam Hussein, and under his vicious regime before that.

It is difficult to separate this issue from the broader picture in Iraq which, as a result of improving security and progress towards reconciliation, is a far brighter one than we have seen for several years—certainly brighter than it was a year ago. Before I get on to the specific subject of Iraqi Christians, I should like to say a little about that progress. A month or so ago, I made my first visit to Iraq since taking on this ministerial post. My strong sense is that Iraq is a country which is steadily getting back on its feet. The progress that has been made since 2003 has given the Iraqi Government the chance to extend their focus from security issues to the wider range of social and economic issues and to allow them to rebuild a prosperous country offering the Iraqi people greater access to well functioning public services, such as hospitals, schools and social services.

Improvements to security have enabled coalition troops to hand back responsibility for security to the Iraqis. Attacks are down 85 per cent. compared with 2006. The Iraqi-led Operation Charge of the Knights in Basra in March 2008 has done a great deal to improve the security situation there. That trend is positive, but I acknowledge that there is still a long way to go, as last Thursday's appalling suicide bombing on the outskirts of Kirkuk reminds us.

The Government firmly believe that all Iraqis deserve to live free from the threat of violence or intimidation. Ultimately, the key to securing that will be in achieving national reconciliation, and in building the capacity of Iraqi institutions to enforce the rule of law, and fulfil the commitments set out in Iraq's historic constitution of 2005.

In my response to the comments of the hon. Member for Gainsborough, I will try to outline the action that the Government and our international partners are taking and, more importantly, the action that Iraq is taking to protect its citizens. Fundamentally, that is the route to securing the situation for Christians and others within Iraq. Minority communities in Iraq, including Assyrian Christians, Yezidis, Mandaean Sabeans and Shabaks, have undoubtedly suffered a great deal, and many hon. Members have commented on that this morning. The concern is real and needs to be addressed.

In Iraq, the complex internal conflict has meant that communities have suffered for a variety of reasons. Since 2003, extremist and often al-Qaeda affiliated groups have continually tried to undermine the efforts of ordinary Iraqis to go about their lives. They have used appalling acts of violence, threats of violence, and used perverted misinterpretations of the Koran to justify their actions. We should remember that according to Islam, Christians and Jews are known as Ahl al-kitab, or people of the book, and should be treated with tolerance and protected in society. That is a message that needs to go out very clearly.

As Iraqi security forces continue to develop and Awakening movements turn their backs on the insurgency, the space for such groups to operate in is running out. I do not want to overstate that, but progress is being made. However, we are still seeing minority communities intimidated for economic reasons. Foreign Office officials met the Latin-rite Archbishop of Baghdad, Jean Sleiman, in November, and he explained that Christian families in Baghdad had received demands, as "infidels", to leave their homes, which was enormously concerning. In most cases, it was not religiously motivated persecution, but opportunistic criminals taking advantage of families' fear to steal their homes and property. That does not make the situation any better, but it is an explanation of what is happening. Iraq's developing police and security services are increasingly enforcing the rule of law, and our training missions—there has been a lot of comment and many questions about our role—will continue their support.

Iraq's communities have suffered for political reasons too, and have been caught up as others fight for control over Iraq's disputed territories, as the hon. Member for Gainsborough said. Ultimately, open and fair resolution of such issues by Iraq's leaders will be key. I spoke to Stefan Di Mistura in Baghdad a month or so ago, and I welcome the important role that his UN mission in Iraq has played. We and others eagerly await his report, which we expect early in the new year.

On the action that the Government of Iraq taking to protect their minority communities, including Christians, first, there is continuing commitment to developing the Iraqi security forces to enforce the rule of law. Violence throughout Iraq is now at a four-and-a-half-year low. The Government of Iraq have also signalled their commitment to developing a culture in which respect for human rights is embedded in institutions. In November, the Council of Representatives passed legislation to establish a national human rights commission, for which we expressed strong support through lobbying.

[Bill Rammell]

A number of hon. Members commented on events in Mosul. The Iraqi Ministry of Human Rights reported that 13 Christians in the Mosul area were killed from 31 August to 12 October, and that 2,423 families were displaced from the city—20 per cent. because of direct threats, and 80 per cent. because of fear of attack. Those are fundamentally terrible statistics, but the Government of Iraq took strong and immediate action, condemning the violence in the strongest terms, dispatching additional forces to secure security in the city, and establishing a high-level investigatory committee to look into the violence. In the meantime, the swift action taken by the Government of Iraq to address the security situation in Mosul has allowed increasing numbers of Iraqis to return to their homes, as we hear in reports from UNHCR. Although this cannot compensate for the trauma that families have been through, the Government have also offered grants of $851 for Christian families to help them as they return.

The hon. Member for Gainsborough said that the British Government and this country have considerable influence in Iraq, which is true. As he said, we rightly expect the rights of minorities to be upheld, and for the Government of Iraq to take action in that regard. However, it needs to recognised and understood that that is not a simple matter of our saying it and the Government of Iraq doing it. We are dealing with a developing country and a developing democracy. As we go forward, there is a range of issues to deal with, including the status for forces agreements, election laws and the relationship between the regions and Baghdad, as hon. Members have said. We are dealing with a democratic country and Government, and we must take account of that.

Bob Spink: The Minister is making a lot of sense. Has he had any discussions with the Kurdish Regional Government about the positive discrimination that they employed so that Christian communities could overcome the prejudice under which they live in northern Iraq? Although the Minister will admit, as we all would, that the KRG have much further to go, will he congratulate them on the fact that they have at least begun the journey?

Bill Rammell: I agree with the hon. Gentleman and it is important that we recognise that process. That was one of the things that I discussed with the KRG when I visited Irbil a month or so ago, and it will continue to be a feature of our discussions.

The hon. Member for Stone (Mr. Cash) called for constitutional guarantees, but part of the problem is that there are already such guarantees in the constitution, article 41 of which sets out a commitment to freedom of religion for followers of all religions and sects, ensuring that they are free to practise their religious faith and their rights. The challenge is ensuring that that constitution's writ runs large. That is a challenge to the Iraqi Government, and we will press them on it and support them.

The hon. Member for Westmorland and Lonsdale (Tim Farron) and another hon. Member said something with which I take issue. I do not want to go over the reasons why we went to war, but the hon. Gentleman said that a fundamental reason why we invaded Iraq was installing democracy. That was not the case. The invasion was about non-compliance with resolution 1441, so whether or not he agreed with our position, the invasion of Iraq was not about installing democracy.

The hon. Member for Gainsborough and others asked whether there should be a 19th province. That will be a matter for the Iraqi Government and their people, but I think that there are significant concerns about how it can be achieved, given that there is an enormous intermingling of communities and people of different faiths within the same area. Additionally, it is not clear to me that there is a consistency of view within Christian communities in Iraq—there are a variety of views, for and against. Many of the local groups with which we meet, including Archbishop Sleiman of Baghdad, are actually against a 19th province, believing that it is not sustainable and that it is against the values of reconciliation, which have to be part of the overall solution in Iraq.

Mr. Cash: Does the Minister agree that if there is a problem enforcing constitutional guarantees—this is my main concern in this context—it is essential to offer protection by allowing Christians in Iraq to come into this country? Will he tell me how many Christians have sought asylum in this country and been refused entry compared with the number of Muslims and Kurds who have applied and got in?

Bill Rammell: We rightly judge each asylum claim on its merits, but there is a procedure outside the immigration rules for those who have been displaced within a region to come and settle within this country. We have increased our numbers for the coming year to 750—that is an international figure—500 of whom will be people from Iraq. To take issue with something that the hon. Member for East Dunbartonshire (Jo Swinson), who leads for the Liberal Democrats, said, a majority of nations do not commit to that approach, and our figures compare favourably with Sweden.

I was also asked about the allegations and counter-allegations about events in the border areas between the KRG and the rest of Iraq. I was planning to meet the KRG Minister for Extra Regional Affairs last month and I hoped very much to discuss the issue but, unfortunately, his trip to the UK was cancelled. I shall nevertheless endeavour to discuss it with him at the earliest opportunity.

On the measures and steps that we are taking to support the electoral process, we are supporting the United Nations Assistance Mission for Iraq and the Iraqi electoral commission to co-ordinate things. We pressed for a system of election observers, and there is now a process by which they will go into Iraq, which we support.

The hon. Member for East Dunbartonshire asked whether 1,000 troops was enough for Mosul. Those troops were dispatched to Mosul as an initial effort to restabilise security. At the time, Iraqi security forces were focused on major security operations elsewhere but, since then, security has improved, as has been reflected in the reports that we have received of families returning to their houses.

Hon. Members are right to express their profound concerns on this issue. Progress is being made, and I welcome the fact that Christians are able to return to their homes, but there is much more to do. We will focus

on that in our discussions and dialogue with the Government of Iraq. We understand our responsibilities, but the fundamental solution over the long term must be for that Government of Iraq to ensure that the writ of their constitution is carried forward in respect of Christians in the country.

National Parks in England

12.30 pm

Mr. Ian Liddell-Grainger (Bridgwater) (Con): It is good to serve under your chairmanship, Mr. Martlew. I am grateful for the opportunity to debate this subject and in particular to talk about my local national park.

This short debate could not be more topical. About an hour ago, the elders of Exmoor national park began a public meeting at their headquarters in Dulverton, just outside my constituency. They summoned the locals—I use that word deliberately—to hear a momentous decision. I suspect it was like a deferential scene from a Thomas Hardy novel with the toffs in charge and the madding crowd just waiting for the word from the room. Perhaps there was a waft of white smoke—I do not know.

The elders of Exmoor have generously changed their minds and turned one of their own ridiculous policies upside down in the face of enormous and immense public anger. A panel has been set up to sort out the situation with the property in question for the long term, as the Minister and I have discussed. I hope that that will benefit not only local people, but the wider population. It is lunchtime and I suspect that the whole moor will be talking about this matter. There is no such thing as a secret on Exmoor. I suspect that the elders are working up quite an appetite. They should be ordering large helpings of that rare local delicacy known as humble pie.

The park authority that—to put it crudely—governs Exmoor is reversing a decision to demolish an ordinary-looking bungalow and the barn that sits next door to it. This homestead, commonly known as Blackpitts, has become the recruiting and rallying ground for the park's opponents. The decision to try to buy the house to knock it down turned not just a few, but hundreds, of ordinary and decent Exmoor folk into revolutionaries. They call themselves Exmoor Uprising. A few weeks ago, I presented a petition to the House containing just over 2,000 names. That is over 50 per cent. of the population of my side of the moor. Only 1 per cent. of those people came from outside that area. That indicates the strength of feeling among local people.

Why on earth should people sign up to defend a bungalow? Blackpitts is not special and I do not think that it ever has been. It was built a few decades ago as an ordinary working farmer's cottage. Interestingly, the tin-clad barn is the last surviving herding house for shepherds from the great reclamation of Exmoor in the early 19th century. That little bit of history is thrown in at no extra cost. There is no mains water or electricity. The bungalow is pretty basic and not very pretty, but so what? It remains a genuine example of how life has always been on that beautiful but often bleak landscape. Without saying anything, Blackpitts tells us a truth: it is no picnic for farmers, it never was and it never will be.

I am embarrassed to say that the elders of Exmoor national park take a loftier view. They are not, by and large, ruddy-faced folk who get their hands dirty. I will quote from the park authority's document with the great title, the official "Exmoor Landscape Character Assessment". They want to preserve the

"Open Moorland and a strong sense of tranquility".

[Mr. Ian Liddell-Grainger]

It states that there are some areas

"where the only view is one of Moorland expanse, stretching out as far as the eye can see. These areas are the most remote—some of the few remaining places on Exmoor where a sense of wildness and solitude can truly be experienced."

That, in a nutshell, was the problem with Blackpitts bungalow. It did not look wild enough. It was too much like a real house and it spoiled the solitude. Whoever wrote the "Exmoor Landscape Character Assessment" was more concerned with solitude than with somewhere for local people to live.

When Blackpitts bungalow finally came on the market, Exmoor national park dipped its hands into our pockets as taxpayers and signed a cheque for £235,000. It claimed that the bungalow was bought to stop creeping urbanisation. That is a bit hard to swallow given that Blackpitts is in the middle of nowhere. The nearest house is about five miles away. The authority was also on a promise from a charitable trust of £100,000 in its bank account if the bungalow was knocked down. Unfortunately, that was seen as a bribe by local people and was described as such in the *West Somerset Free Press*. I believe that the timing was bad, rather than anything untoward having taken place.

In the politically correct spirit of open government, the authority issued a consultation document suggesting all sorts of things that might be done with the place. However, it was pretty obvious that it wanted to flatten the property to re-wild the moor. On 2 September this year, by the narrowest margin, the elders got their way and won. The six Secretary of State-appointed members who have no knowledge of the moor and no background on the moor swung the decision.

Ever since then, re-wilding has become very popular on Exmoor because Exmoor itself has gone wild. The Revolting Exmoor Peasant Party was formed to save Blackpitts. The members chose a provocative name and I do not blame them. The name has now been changed to Exmoor Uprising. Their anger came from the heart. They felt that they were being treated like ignorant peasants by a remote park authority that cared only about a picture-book Exmoor and not about its people. They felt ignored and resentful. They live on the moor, they understand it and they love it. They also know it is not, and can never be, a museum. Part of the appeal of Exmoor is that some of the areas are rough. If the authority ever forgets that fact, it is in danger of presiding over a sterile, lifeless heritage site.

Exmoor Uprising had a point and it still has. Today that was proven. The national park authority has rightly done a massive U-turn and agreed to rent out and ultimately sell Blackpitts and not demolish it. That is for the benefit of local people. Surely the most important thing that any Government would want a national park authority to do is to represent and not resent the people within its borders.

I would like to say, "Hip, hip", but I am afraid that it is too early to say "hooray!" There is a fundamental problem with the make-up of all national park authorities—even the best of them. Exmoor is not the worst, but it is certainly not the best. Not a single member of any national park is elected. The Government appoint people; half a dozen in the case of Exmoor. Some of them are well-meaning, but they include people from Oxford, Bristol, Swindon, Warwickshire, Exminster and Torquay. Presumably they enjoy the long car journeys to attend meetings. There is no accountability, no local interest and little or no local understanding. The democratic and geographical disadvantages of this system ought to be obvious.

National parks are responsible for planning decisions within their boundaries. That point causes problems because disgruntled locals cannot get their own back at the ballot box as there is nobody to vote for or kick out. Perhaps that matters less with big national parks. The bigger the park, the greater the chance that a few genuine locals will be picked to run things. Exmoor is a tiddler with a small population. Our authority is overwhelmed with bodies from everywhere except the moor that it is supposed to represent.

That simple fact is another cause of bitter discontent. Exmoor folk do not like being told what they can do by those whom they consider outsiders—I suspect that that is the norm throughout the national parks—and boy, does the national park tell people what to do, or rather what not to do. One reason why the population there is so small is that it is almost impossible to build new houses. The high-minded souls at the park's planning department have developed an enviable reputation as a team that says no all the time, except to saving Cutcombe market on Exmoor, of which my hon. Friend the Member for Leominster (Bill Wiggin), as a spokesman on agriculture, will be aware. It is right to save the market, but to do so, private housing must be built, breaking policies and smashing ideals to pay lip service to the rest of Exmoor. That cannot be right.

However, that is only following the high-minded ideals of the authority, which is chaired by a Liberal Democrat county councillor from far-away Crewkerne, on the other side of Somerset, who answers to the name of John Dyke. He is an ex-MAFF man, as the Department for Environment, Food and Rural Affairs used to be known. It has been suggested to me by unhappy moorlanders that a firm finger in that particular Dyke would not come amiss. Given that only about half the work force lives in the park, it makes one wonder what intent and aspirations the authority has to help the people of the park.

The problem is that Exmoor national park has what Rumpole of the Bailey would call considerable form. Memories are long in that part of England. Few will forget the park's ill-conceived plan for a £2 million visitor centre. The authority wanted to stick it—I am not joking—in a massive bunker on the high coast road between Porlock and Lynton, a place way out of the reach of tourists where buses can hardly go due to the steepness of the hills. I am glad to say that common sense prevailed again because of the people of Exmoor, although not for long.

I must also bring attention to the situation of the kookaburras. Exmoor national park discovered that one of my constituents had a pair of those antipodean pets. Kookaburras, it was decided firmly, were not indigenous to Exmoor, so they were ordered to go. Again, common sense prevailed. The park saw sense and said, "No, we can let them stay."

Another example is much more dangerous. A mire reclamation project has been undertaken recently to block a load of the mires—not far from Blackpitts, funnily enough—in order to turn them back into bog

land, encouraging wildlife to increase and allowing people to see the bog as it should be, and possibly to sink in it. The problem is that locals remember why the mires were put there. They were put there after the Lynton disaster in the '50s, when Lynton was swept away into Lynmouth. Those mires are now being blocked up. I do not ask the Minister to reply straight away on that, as more research is needed.

Bill Wiggin (Leominster) (Con): I am most grateful to my hon. Friend, who is making a powerful speech in defence of his constituents. If I understood him correctly, he is saying that if the bogs are allowed to develop, there will be a risk of landslip. We saw in Boscastle the terrible tragedy that that can cause. Is he saying that that is likely to happen? If so, what sort of risk assessment has been done or ought to be done?

Mr. Liddell-Grainger: My hon. Friend has spoken eloquently on that situation many times in the House. We have discussed at great length how moors and uplands should be run. I thank him for his support. He is absolutely right. I know that he is concerned that the Environment Agency and bodies such as the national park should take seriously their responsibilities in that area. Boscastle is the most recent example of such a disaster; thank God nobody was killed.

The plan could unfortunately be the making of a new problem. Blocking the mires and holding back water was what caused things to go wrong in the first place in the '50s. The water built up behind dams and came as a rush, and the whole centre of Lynmouth, which lies in the constituency of the hon. Member for North Devon (Nick Harvey), went. I would like the Government to consider that carefully. I am happy to be proved wrong, but I would be frightened to be proved right. It should be considered.

In one sense, I sympathise with the authority, which has not been at it long. Exmoor was declared a national park about 55 years ago, but day-to-day control was handed to the authority only in 1997. However, it has yet to develop the courage and common sense to break free and think outside its own box. It seems shackled by the remit to preserve the pretty bits of Exmoor, but will not help the people of Exmoor. The trouble is that there is so much more to a vibrant economy than imposing rigid planning controls and revamping wildlife at any cost.

The truth about Exmoor is that it desperately needs tourism. It is our biggest industry by miles. Exmoor national park has failed dismally to understand how the wheels of local commerce turn. No industry can thrive without people to work in it, and local people have been victims of the authority's well-meaning but misguided, almost godlike green evangelism. There are too few affordable homes and no real policy to build any at a sufficient rate. I am told that 450 people need homes, but that by the time a home is built for the 450th person, they will be dead. It is not working. There are also far too many busybody Exmoor interferences in legitimate plans for the mainstream tourist industry. It is so much easier to say no.

Exmoor national park authority costs taxpayers a little more than £4 million a year. Most of that money comes from central Government. A trickle filters through from the county council and district councils, but all that cash starts here in Whitehall and depends on the Minister's Department. For that reason, I ask him to take a long, hard look at how his money—our money—is being spent.

It would not be unreasonable for the Government to consider withdrawing some of the national park boundaries in Exmoor. The two biggest places are Dulverton and Porlock. Will the Minister consider dropping those two outside the national park for a time? That would allow a democratically elected planning authority to consider social housing requirements, and would mean that the planning issues that matter to people could be discussed on a much broader front through an accountable body, West Somerset district council, which is under no overall political control.

Exmoor national park is treated with great suspicion by many, and that suspicion is slowly but surely turning into open contempt. Will the Minister give the people of Exmoor the will to survive, live and work on the moor without having to look over their shoulder at every stage of their life for a Big Brother that will say no because that is the easier way to do it and how the national park has conditioned itself to work?

12.48 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I am pleased to respond to this debate. I congratulate the hon. Member for Bridgwater (Mr. Liddell-Grainger) on securing this important debate. It could not be more timely, as he said. He began by mentioning the novels of Thomas Hardy. At some point, we will probably exchange notes. My favourite is "The Return of the Native", but this Chamber, far from the madding crowd, is an appropriate place to put concerns and issues on record, as well as some good news.

The hon. Gentleman rightly mentioned the fact that national parks across the country, whether in Exmoor or elsewhere, are living, working environments. That is absolutely right, and although national parks' core principles include balancing the natural environment with working people, the focus should always be on the people who live and work there as well.

The hon. Gentleman spoke about economic importance. To turn away from Exmoor for a moment, a study commissioned by my Department in 2006 considered the economic impact of national parks in Yorkshire and Humber. It concluded that national parks make a significant economic contribution, with visitor spending of more than £400 million within the parks and a further £260 million elsewhere in the region. Fascinatingly, more than half the parks' businesses felt that national park designation had a positive impact. We have no reason to assume that it would be different elsewhere. *[Interruption.]* Indeed. That situation is certainly true of national parks abroad.

I would like to make a couple of introductory remarks before I turn to the grit of this debate. I know that the hon. Gentleman shares with us the view that national parks play a key role in the delivery of the Government's objectives, not least on issues such as landscape protection, climate change, recreation and public health. It is important that the park authorities, through their engagement with local authorities, regional development agencies and the Government office network, also do their bit to contribute to the local economy.

[Huw Irranca-Davies]

The report by the Campaign for National Parks in 2006, which I know the hon. Gentleman is aware of, found that the economic benefits that we have talked about came not just from the parks' environmental quality but also from the parks' designation, which attracts visitors and also businesses, helping those businesses to prosper. Next year, of course, we will be celebrating the 60th anniversary of the enabling legislation, the National Parks and Access to the Countryside Act 1949.

In passing, it is perhaps worth mentioning that the funding from the Department for Environment, Food and Rural Affairs for the national parks is set to increase to £47.6 million next year, which is part of a rise of more than 70 per cent. in funding since 2001. The hon. Gentleman made the comment that we need to ensure that that money is being well utilised, and so on; he is absolutely right to do so. What also may be of interest to him is that the amount of grant aid paid to Exmoor national park authority will increase in 2009-10 to £3.96 million.

I will now turn to the grit of this debate, which is the very timely issue of Blackpitts. I certainly pay tribute to the hon. Gentleman for the way that he has quite assiduously represented his constituents. In his own contribution, he paid tribute not to his own role but to that of the Exmoor "revolutionaries", and that was right and proper. Their voice has been heard today by what he described as the "elders", a subject that I will come to in a moment. I met with many of the "uplanders" from Exmoor quite recently at an event on the terrace here and it was very good to discuss with them a range of issues that affected them. I also have to say that I was impressed by their commitment to the place that they live and work in. As someone who is from upland valleys myself, what I always find in those areas is that there is a real attachment to the community and the place, which is a little bit like the Thomas Hardy-esque world that the hon. Gentleman referred to, except that it has moved on. It is a living, working environment and it is not all bleak and dire, much as I love walking on the higher hills of such valleys. We want to see those areas being dynamic and lively places.

I will now turn to the specific issue of Blackpitts.

Mr. Liddell-Grainger: I thank the Minister. I am really pleased that he has just announced that the increase for grant funding to Exmoor will go up to the level that he mentioned. That good news will be gratefully received on Exmoor and I thank the Government and the Minister for it.

Huw Irranca-Davies: I thank the hon. Gentleman for that helpful intervention. It is certainly important that that increase in funding be well used.

As I said, I will turn to the issue of Blackpitts. As the hon. Gentleman has already mentioned, the national park authority acted within its powers in acquiring the property. It then looked at five different options and rightly decided to explore further those options, including the provision of alternative housing and demolition. The results of that further work were reported to the authority this morning and, in the light of that further work and the change in the economic climate, the authority has decided to adopt the option of retaining the building and offering it out to a tenant.

I will not comment any further on that decision except to say that, perhaps in response to "people power", the "elders" whom the hon. Gentleman referred to have listened and responded in a good way. If I was the hon. Gentleman, I would be tempted to stand here and say, "We told you so", but he is being far more gracious than that. Nevertheless, I think that many of his constituents and those who petitioned this place will certainly reflect that they were right all along. The decision is certainly an indication that, albeit with due people pressure being applied, the right result for local people can be delivered.

I will turn to the related matter of the accountability of a national park authority. I will begin by addressing the issue of direct elections, which is of interest to the hon. Gentleman. DEFRA has consulted on the principle of including some directly elected members on national park authorities and on the Broads authority. Anyone was free to submit views and a lot of views were submitted on this issue of including directly elected members. The consultation closed on 28 November. We are now evaluating the responses that we received—about 200 in total—and we expect to announce a decision on that issue some time in the new year. Undertaking that consultation does not imply that the Government are either for or against direct elections. It was simply the case that we thought—I think that the hon. Gentleman also reflected this view in his comments today—that it was timely to reassess whether or not our existing system remains the best approach. I am sure that we will return to that issue in the new year.

Another issue that the hon. Gentleman raised was affordable housing. Certainly the Government share the aspiration that everyone should have the opportunity of a decent home at a price that they can afford, in a place that they want to live and work in, and that goes for rural areas too. Affordable housing is an issue that we have at the top of our political agenda. The Prime Minister made a clear statement:

> "Putting affordable housing within the reach of not just the few but the many is vital both to meeting individual aspirations and to securing a better future for our country".—[*Official Report*, 11 July 2007; Vol. 462, c. 1449.]

The hon. Gentleman will know that the causes and experience of a lack of affordable housing are similar in both urban and rural areas, but the solutions for rural communities must be tailored to take account of such factors as protection of landscape and the natural environment, and what are often higher unit costs of development, through reduced opportunities for economies of scale in rural areas, which is different from the situation in urban environments or on a large brownfield site. Furthermore, there must be building design in rural areas that complements the environmental qualities of the countryside, because we would not want to sacrifice what we feel is good about the rural areas that we live in.

Mr. Liddell-Grainger: I do not disagree with any of that. The problem is quite simple, that the pressure on local schools, shops, pubs and services in Exmoor is now acute because the population is getting older and older, local people cannot afford to buy and there is no chance of local houses being built. I think that the Exmoor national park authority built 15 houses last year; it will never be able to build enough houses to deal

with this problem. Unless the Government can give some form of push on this issue, I do not see any other way of getting round the problem.

Huw Irranca-Davies: I understand the point that the hon. Gentleman makes on behalf of his constituents. However, it would not be for the Secretary of State for Environment, Food and Rural Affairs to intervene directly in this matter. Nevertheless, the hon. Gentleman makes the valid point that we must ensure that there is an adequate quantity of affordable housing, in rural areas generally and within national parks particularly, whether that housing is rented or for purchase. Somehow or other, we must work through the planning mechanisms to ensure that that housing is available, because people want to live and work in the communities where they have been brought up and where they see their future. However, there is no doubt that it is more difficult to provide that affordable housing in an environment that is of particular environmental value. None the less, those issues must be worked through and it is right that they are worked through within the national park authority plan and that representations are made in order to deliver that plan.

I want to return to the issue of local democracy. It may be helpful if I just spell out a little bit how the members of the national park authorities are currently appointed. They are drawn from three separate sources to give an appropriate mix of expertise and interest. The largest group of members is the councillors who are appointed by county, district or unitary authorities. The smallest group is the councillors or the chairmen of parish meetings, who are chosen by those parish councils with land in the park. The third group consists of those members chosen by the Secretary of State, in line with the principles of the Office of the Commissioner for Public Appointments. In making those choices, we try to complement the range of knowledge, skills and expertise that already exists, which is provided by councillor members.

In many cases, the members chosen by the Secretary of State will not have a local connection. They are primarily chosen to broaden the mix of members and not simply to replicate local knowledge or other knowledge that already exists within the membership. In the case of Exmoor, the membership consists of 12 county or district members, four members from parish councils and six Secretary of State appointees.

I want to turn briefly to the mires project. If necessary and appropriate, I will happily write on that subject to the hon. Gentleman. However, it might be worth saying that we currently believe that the rewetting of the bog helps to smooth out the flow of water; in other words, it makes floods less likely. I know that South West Water is involved in the project. However, as I say, I will happily write to the hon. Gentleman with some detail on that issue.

Renewable Transport Fuel Obligation

1 pm

Paddy Tipping (Sherwood) (Lab): I am extremely grateful for this opportunity to discuss biofuels again, and I am pleased that you are in the Chair, Mr. Martlew, given your knowledge and expertise in this area. You will know that there have been substantive debates on biofuels in Westminster Hall and the House in recent years, as biofuels have an important role to play in reducing carbon emissions from transport. That role was reinforced at the European summit last week, when the renewables energy directive was agreed. In broad terms, it is clear that biofuels are the only tool available at the moment with which to reduce carbon emissions. In the longer term, electric cars will come on to the market, and even further into the future, hydrogen cells will play an important role, but, at the moment, biofuels are the real cutting tool.

In the past 18 months, there has been much discussion about whether the use of biofuels is sustainable and whether they affect food production and its cost. That debate is important, but this afternoon I shall focus on the small area of the renewable transport fuel obligation 2007 and something in it that is clearly a drafting error. The biofuels industry has described the drafting error as "catastrophic" to the industry, and I shall give some examples of its consequences shortly.

The background to this issue is familiar and straightforward. The amount of biofuels required under the RTFO is a percentage of the "relevant hydrocarbon oil". Targets under the 2007 order are 2.5 per cent. for this financial year, 3.7 per cent. for the next financial year and 5 per cent. for the year 2010-11. Unfortunately—this is the crunch point—petrol and diesel are not counted as relevant if they were already blended with biodiesel when they passed the duty point. The problem arose when it became clear, in the autumn, that almost all diesel that was produced in the UK had an element of biodiesel in it and was consequently excluded. The effect has been profound. Diesel makes up just more than half of the UK market, so the amount of biofuel that is required under the obligation has been halved. As a result, the effects, in relation to carbon emissions, are halved.

Until the mistake came to light, the Department for Transport thought that biofuels were included whether they were blended or not. That is what the Government told Parliament when the order was passed in October 2007, and that is what the Renewable Fuels Agency told the industry, non-governmental organisations and the wider public. It is not clear what triggered rethinking, but on 21 October the RFA wrote to all obligated suppliers to say that there were problems.

The DFT and the RFA held a stakeholder meeting on 28 October, at which officials said they were determined to rectify the problem. Some of the people who attended the meeting have told me that they left with the assumption that the issue would be rectified in this financial year. In effect, it was business as usual. On 13 November, however, the Government issued a written ministerial statement saying that the mistake would be corrected not this year but for the year 2009-10. Will the Minister put on the record why it is not possible to correct the error in this financial year? There has been a good deal of debate on

[Paddy Tipping]

that and I understand that precedents are being quoted. We are told that there should be no retrospective legislation, but in fairness to the industry, it faces a retrospective change in the policy framework well into the current year.

It would also help if the Minister told us whether there has been any discussion with members of the Joint Committee on Statutory Instruments or its staff. There is still a view that if it were possible to correct the mistake in this financial year, that would be the best way forward. The consequences of the drafting error are straightforward: this year's targets have already been met and oil companies do not need to supply another litre of biofuel before April 2009. There is now a glut of renewable transport fuel certificates. They were trading at 6p a litre, but the market has collapsed and there is no value in them. Obligated suppliers can enhance their position by blending small amounts of biofuels into fossil fuels to avoid difficulties next year, because 25 per cent. of the certificates obligation can be transferred into the next financial year.

Let me comment on the problems that have affected the industry. A small company that was established in May 2008 has told me that its plant has produced no biofuels since September 2008. It says that the problem is a

"lack of demand for our biodiesel",

partly because

"obligated companies are no longer potential buyers due to the error in the wording of the legislation".

Pessimistically, the company says that

"unless the outlook improves, we expect to be out of business at the turn of the new year."

Unfortunately, it is not alone. Another company has written to me saying that the drafting error in the RTFO has effectively stopped demand for biofuels in its tracks. Sales have dropped from 500,000 litres to 6,000 litres a month.

What is more, the policy framework could change further. Following concerns about sustainability, the Government have asked Professor Gallagher to look into the issue. He has brought forward proposals, on which the Government are consulting, that would effectively further reduce targets for next year from 3.75 per cent. to 3 per cent., and would delay our hitting the 5 per cent. target, so that it would be hit in 2013-14 instead of in 2010, as planned.

It is absolutely clear that for investment to take place, the industry must know the rules. It will sometimes complain about the rules, but it cannot live with a changing policy framework, the possibility of the Gallagher review changing targets and—more importantly for today's debate—the retrospective halving of the target for the current year, which is causing problems for many countries.

There will be no investment if the situation is not addressed. We have talked about companies closing in the new year. Paradoxically, that is against the background of the Government, our European partners and others arguing that biofuels have a strong role to play into the future. So, there are real problems now, but there are also long-term prospects. However, there will be no investment until companies that want to invest are clear that the policy framework will be secure into the long-term.

What needs to be done? I shall make three or four suggestions to the Minister. First, the demand from industry is clearly to try to rectify the mistake in the current financial year. I accept that there are difficulties with doing that, but, in fairness, the Minister must say on the record in Parliament today why it cannot be achieved. There is another solution, however. As I have said, the Government are consulting on the Gallagher proposals to reduce the target from 3.75 per cent. to 3 per cent. next year. Incidentally, that consultation closes tomorrow, and the Government must make early decisions about the targets that they expect in the next financial year. I hope that an announcement will be made as quickly as possible. Companies may be able to hang on if they know what the situation will be on 1 April 2009. I hope that the Government will respond to that hope for an early announcement.

Secondly, given the history of difficulties during the current year, there is a strong case for saying that the original target of 3.75 per cent. next year should remain in place. It would be unfair, unwise and not beneficial to investment in the industry if the target were reduced next year, so I should be keen to hear the Government's view on that point. More particularly, industry itself would be keen to hear it, because, at last week's European summit, the renewable energy directive was agreed, and it is clear that we should be looking for a 10 per cent. target by 2020. Given the European context, it would be unwise to reduce the target now.

There is another, third, practical thing that the Government can do. We are now an interventionist Government; we are not afraid of intervening in the market. We have intervened in a big way with the banks, and there is talk of intervention in the energy market, but, at the moment, there are renewable energy certificates hanging around the market and they have no market value whatever. The Government have made a mistake, and one way of rectifying it would be to buy up those currently worthless certificates.

A few days ago, in a very well reported speech, the new Secretary of State for Energy and Climate Change talked about a more interventionist role for the Government in the energy field. He believed that the market, by itself, would not deliver, and that—this is the essential point—there needed to be a strong policy framework for investment. Let me remind the Minister what the Secretary of State said in his speech. He said that we need a strategic energy policy that is

"stable, predictable and attractive to the private sector."

That is what the Government tried to achieve through the RTFO, and it would have brought new investment, reduced carbon emissions and taken us forward to meet our European targets, but, because the drafting mistake occurred, the amount of biofuels that must be produced to meet the obligation this year has been halved. The consequence of the overall process will be the halving of our carbon emissions, and it is clear to me that we need to make real reductions in carbon emissions, and that biofuels are a way of combating the real and significant problem of carbon emissions from the transport sector.

What the industry asks for is quite simple; it is what the Secretary of State for Energy and Climate Change was arguing for: a secure and stable policy framework that attracts private investment to the industry. I hope that the Minister before us will recognise that there have been problems, that mistakes have been made and that

there is a need to rectify the issue. I hope also that he will come forward as soon as possible with a new policy framework that will attract new investment into a new industry that will help us to enhance the environment and stabilise our carbon emissions.

1.15 pm

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): It is a pleasure to see you presiding this afternoon, Mr. Martlew, and I congratulate my hon. Friend the Member for Sherwood (Paddy Tipping) on securing this debate. Biofuels have an important role to play in the development of a renewable energy industry in the United Kingdom, and they also have the potential to help us in our efforts to tackle climate change. Our cars and other forms of transport are the third largest source of carbon dioxide emissions in the UK, and biofuels are a major way to help us reduce our road transport emissions. In fact, the recent Gallagher review estimated that, by 2020,

"biofuels have the potential to deliver annual global greenhouse gas savings of approximately 338 to 371 million tonnes of carbon dioxide".

That is why the UK has been a pioneer in obligating our fuel suppliers to provide a certain percentage of their transport fuel from renewable sources. However, as my right hon. Friend the Member for Bolton, West (Ruth Kelly) advised Parliament in July, when she was Secretary of State for Transport, we must proceed with caution if we are to ensure the development of a truly sustainable biofuels industry.

We created our biofuels targets to help tackle climate change and promote sustainable development. Yet, over time, more and more questions have been asked about the indirect impact of biofuels on world food prices, on deforestation and on overall greenhouse gas emissions. That is why in February, my right hon. Friend asked Professor Ed Gallagher, the chair of the Renewable Fuels Agency, to whom my hon. Friend referred, to examine the latest available evidence on the indirect effects of biofuels. The Gallagher review concluded that biofuels can play a role in tackling climate change, and that

"there is a future for a sustainable biofuels industry".

But the review also concluded that there is a risk that the uncontrolled expansion and use of biofuels could lead to unsustainable changes in land use, such as the destruction of rainforest to make way for the production of crops.

The Gallagher report recommended that the introduction of biofuels be slowed until policies were put in place to direct biofuel production on to marginal or idle land, and their effectiveness had been demonstrated. More specifically, the report recommended that, in the UK, the rate of increase in the RTFO should be slowed to 0.5 per cent. per annum, so that the RTFO reached 5 per cent. in 2013-14, rather than in 2010-11, as originally planned.

The Government agreed with the findings of the Gallagher review, and, as my hon. Friend said, we are consulting on our proposal to slow down the increase in the RTFO, as recommended. However, as we have heard today, we are all aware that we also need to recognise the impact of a slow-down on investment and longer-term targets under European Union directives. That is why we are also seeking views on those issues during the consultation, which is due to close tomorrow, 17 December.

On 13 November, again as my hon. Friend said, the Government published an addendum to the consultation, proposing an additional amendment to rectify a discrepancy that was identified in the original 2007 order. Today, my hon. Friend has raised a number of concerns about the problem. The difficulty only recently came to light as a result of work being carried out on the eligibility of new renewable fuels. We are treating the issue very seriously, as he knows, and we have explored all the options available to us to rectify the issue. However, the Government have concluded that, owing to the constraints of the primary legal powers, we will not be able to amend the order retrospectively to change the definition for this obligation year.

That means that we must ensure that legislation is in place to rectify the problem and to deal effectively with the discrepancy from the start of the next obligation year in April 2009. I reassure my hon. Friend that the Government alone decided to proceed in that manner, and that it was not a result of pressure from the oil companies or any other parties, as some have suggested. Failing to deal with the discrepancy by April would mean that it continued for another year.

Although my hon. Friend has outlined some of the outcomes that he believes may be possible, the future impact of what is happening is still unknown. It is possible that some UK oil companies will decide to meet their obligations according to the principles intended in the original legislation. The extent of any shortfall will not be known until after the end of this obligation year.

I am unable to pre-empt responses to the consultation, but I have listened to the concerns that my hon. Friend has raised. The Department has encouraged stakeholders to respond to the consultation on time so that their concerns can be taken into account as we develop our response. I hope that I have addressed the other issues that he raised, and that my explanations offer him some reassurance even if they are not fully satisfactory to him.

1.21 pm

Sitting suspended.

Secondary Schools (Colchester)

1.30 pm

Bob Russell (Colchester) (LD): I bring fraternal greetings from Colchester: the town's Labour party is unanimously opposed to proposals by Tory-controlled Essex county council to shut the Alderman Blaxill school at Shrub End and Thomas Lord Audley college at Monkwick. Colchester Liberal Democrats are also opposed to the closures, and even Colchester's Tory councillors disagree with what the county Tories, who are based 25 miles away at Chelmsford, are proposing. There is not a single person from any political party in Colchester who agrees with Essex county council. Even the hon. Member for North Essex (Mr. Jenkin), from whose constituency a minority of pupils attend secondary schools in the town, has publicly distanced himself from his Tory chums at county hall by putting forward his own proposal.

Last week, at a meeting of Colchester borough council, there was not a single speaker or a single vote in favour of any of the three options put forward by Essex county council for the reorganisation of secondary schools in the town. Instead, the borough council voted in favour of an alternative proposal known as option 4, which would merge Alderman Blaxill and Thomas Lord Audley with Stanway school to form a single school—I have suggested the name "Roman River school"—operating from the three sites under whatever legal definition is required by the Government to enable that to happen.

The arrangement may sound familiar to the Minister because, in essence, it is already in existence and has been for just under a year. It has already been shown that it works very successfully, thanks to the inspirational leadership of Mr. Jonathan Tippett. The arrangement will be familiar to the Minister because it has been drawn to his attention, and that of the Secretary of State, more than once in recent months on the Floor of the House and in correspondence from me.

The Minister will also recall the Adjournment debate that I secured on 22 October last year about the future of Alderman Blaxill school and the then threat to close it, which the community successfully saw off. Another reason that the Minister knows about option 4 is the meeting at the House of Commons on 20 May this year with representatives of the local community. I am grateful to him for agreeing during departmental questions last month to have a further meeting with a delegation from Colchester to discuss option 4.

The Minister need not be alarmed: this is not clause IV. Option 4, a copy of which I have with me, is a joint response on behalf of the governing bodies of Stanway and Thomas Lord Audley schools, and the interim executive board of Alderman Blaxill school. It is entitled, "Raising achievement through the transformation of secondary schooling in Colchester". The summary states:

"We believe the best way forward for secondary education in the South quadrant (of Colchester) is through continuing and developing the current federated arrangements covering three schools, since this has been shown to work."

The Minister can be assured that option 4 would deliver the academic achievement sought by the Government, as measured by the 30 per cent. minimum examination success formula. It would also remove surplus places for as long as the drop in numbers required it, but would retain the opportunity for the extra places, including some 2,000 in the catchment areas of Thomas Lord Audley and Alderman Blaxill, which will be needed in due course as the huge increase in new housing in Colchester takes place.

The option 4 proposals—the people's choice—state with confidence:

"On current performance the attainment level of the new school in 2009 would be around 53 per cent A to C."

Further confidence in a better, brighter future for youngsters in south Colchester is shown in this statement in the joint response:

"In the short term (12 months) the expectation is that Thomas Lord Audley will be 'Good'; Alderman Blaxill will move out of special measures; and Stanway will become 'Outstanding'."

Option 4 thus ticks all the Government's boxes. It would raise attainment and remove surplus places. It would also keep secondary education provision—a constantly improving education provision—in the communities of Shrub End and Monkwick, which is what the local communities seek and what Colchester borough council has stated is its preferred option. It is a winning formula.

It would also be considerably cheaper—a better-value-for-money option—than the proposal put forward by Essex county council, and it would certainly be better financially for the families involved. Contrary to negative comments from Tory county councillors, option 4 is consistent with the provisions of the Education and Inspections Act 2006 and other education Acts.

The Minister will recall that our meeting in May came just 24 hours after the Secretary of State announced on the Floor of the House that proposals for an academy in south Colchester to replace Thomas Lord Audley and Alderman Blaxill would not go ahead. The Secretary of State said:

"Essex county council has explained that its preferred approach is to build on the existing partnership with Stanway school and to pursue a trust. We will support the council in its decision".—[*Official Report*, 19 May 2008; Vol. 476, c. 3.]

Essex county council has clearly broken the promise that it gave to the Secretary of State, and which he in good faith passed on to the House. I do not blame him; I blame the Tories who run Essex county council for breaking their promise.

The Minister will further recall that his officials were present at a meeting with a delegation from Alderman Blaxill school and the community. It was an exceptionally good meeting. In response to a question from the Minister about how long it would take to formalise the existing arrangement between the three schools, one official stated that it could take less than three months, given good will by all involved. We left the meeting in a mood of extreme optimism, and looked forward to the new academic year commencing with the formal establishment, using the necessary legal terminology—hard federation, soft federation or any other grouping of words that the Department required—of Alderman Blaxill, Thomas Lord Audley and Stanway school operating as one school on three sites.

However, there was not good will all round. Essex county council—perhaps more accurately, its leader, Lord Hanningfield—had other ideas. Instead, a proposal that is even worse than the one that had been rejected was drawn up: not the closure of two schools and the creation of an academy on the Thomas Lord Audley

site at Monkwick, but the closure of both schools and the distribution of children from those two areas of Colchester to other schools in the town, leaving the whole of southern Colchester as a secondary school desert.

The hon. Member for North Essex has indicated that he would like to intervene on me. This may be an appropriate juncture, as I believe that this is the issue on which he wishes to come in.

Mr. Bernard Jenkin (North Essex) (Con): I am most grateful to the hon. Gentleman for so generously giving a little time in his debate so that I may comment. I am a promoter of option 5, which is, I accept, a late arrival in the debate; nevertheless, it may prove to be the most viable option. I am able to place on the record today for the first time that Mr. Jonathan Tippett, whom the hon. Gentleman prays in aid, has said to me, in terms, that the most crucial issue is to maintain education in the south of the town, and that if option 4—which I fear will not attract the investment to Colchester that we all want—is not possible, he would contemplate option 5 as a compromise solution. That option is for a military academy school somewhere in the south of the town that would have the ability especially to serve the Army families of the garrison as well as other children.

Bob Russell: I thank the hon. Gentleman for giving notice of his proposal. My only regret is that it is one that was rejected by Essex county council in May. The hon. Gentleman included the military component, which is new, but the principle of shutting two schools and creating an academy in south Colchester was positively rejected in May. I would also observe that whereas children from military families constitute between one fifth and one quarter of the pupils at Alderman Blaxill, they would be only about 10 per cent. in a single academy in south Colchester. However, I am grateful for his intervention.

To follow on from that, at the beginning of 2008, Essex education authority stated that there was a need for a 1,200-place secondary institution in south Colchester and produced what it said was evidence to support that position. How can the authority now argue, only a few months later, that there is no need for a secondary school in the whole of the south of the town?

Let me return to what was said at the meeting when the official advised the Minister that the arrangement for the three schools to operate legally need take only three months to bring about. I am sure the Minister will agree that his official would not have given such advice if it were not correct. However, Essex county council now tells us that option 4 is not legal. I cannot believe that the Minister would have been ill advised. Therefore I suggest that it is Essex county council that is being less than correct with its dismissal of option 4 on the ground that it is not legal. I am sure that, given good will all round, the correct legal status can be achieved so that what the community has put forward—a Colchester solution for Colchester's schools, backed by Colchester borough council—can be implemented without further delay.

The longer the uncertainty continues, the more parents—not surprisingly—are voting with their feet. That is why numbers at TLA and Alderman Blaxill are depressed. It is not an attractive prospect for parents to send their children, at year 7, to a school that the education authority wants to shut. It is amazing that so many parents still have faith in the face of such an onslaught by people from county hall who are not democratically answerable to the people of Colchester. If the threat of closure is lifted, parents will have the confidence to send their children to those schools. Only five or six years ago, every year 7 place at both those schools was filled and fewer than 10 year 7 places were available across Colchester. I know that because parents were beating a path to my advice bureau, as parental choice was non-existent.

Colchester is the fastest-growing town in Essex and one of the fastest growing in the country. To shut two secondary schools and remove 1,700 places from the system is sheer folly, shows a total disregard for forward planning and, in the meantime, robs two communities of their local secondary school. It will not be too many years before someone has to pick up the pieces of such ill-conceived proposals, should the closures go ahead. In the meantime, the remaining five secondary schools, excluding the two selective schools and the Roman Catholic secondary school, which have been given protected status, will be forced to expand, perhaps to 2,000 or more pupils.

According to Essex county council, there are currently 10,365 secondary school places in Colchester and, in 10 years' time, the maximum number of places required will be 10,275, which would be a virtual standstill in numbers despite the fact that the population is growing by 1,000 people a year, meaning that there will be 10,000 more people by 2018. Does the county council seriously believe that none of the massive new housing developments, with the accompanying big increase in population, will result in more children of secondary school age? The town's already congested road system will become even more clogged as children are driven or bussed across town. The school buses will not be free and hard-pressed working families will have to find money to pay the fares, whereas at the moment many children can walk or cycle safely to school.

Whatever happened to the Government's promises in respect of Every Child Matters? What about "safe routes to schools" and the clarion calls about "sustainable communities"? Essex county council's proposals are contrary to all those Government policies. However, option 4 is fully in accord with Government policies. Colchester borough council has produced a detailed sustainability appraisal of secondary school options in Colchester, which looked at the three options advanced by Essex county council and option 4; its seven-page report ends with the following recommendation:

> "It is recommended that Option 4 is supported. Under this option accessibility will not be reduced and the schools and their ancillary facilities will continue to serve the existing communities. Greenfield land will continue to be protected."

Sadly, Colchester borough council, with a population of 175,400 and growing—one of the largest shire districts in England—is not responsible for education. Instead, it is rural-dominated Tory backwoodsmen from elsewhere in Essex, without any democratic accountability to the people of Colchester, who are in charge of education. Do they care? They are not listening, that is for sure. If Colchester was a unitary authority—it is big enough to be one—the town would not be facing this serious

[Bob Russell]

attack on secondary school provision in the south of the area, with the domino effects that that will have on the other five secondary schools.

Essex county council's public consultation is one thing, but I am concerned about the private briefings in which Lord Hanningfield and colleagues are engaged. There is a lack of consistency about what is being said in the public domain and what is being said behind closed doors. I have visited all the secondary schools in recent weeks. I have advised all the heads that, whatever they have been told at private briefings, they should follow up and insist upon written guarantees of what they were told. I also visited county hall, where, using a Freedom of Information Act request, I inspected the files relating to both the current public consultation and the earlier consultation, involving the original proposal for an academy on the TLA site. All the files relating to submissions to that public consultation had been removed. Thus there is no way of knowing what was said by whom and what notice, if any, the county council took of representations.

Many believe that the current public consultation is little more than a box-ticking exercise and that Essex county council will proceed with option 1 regardless. What faith can people have in the democratic process when they are treated in such a contemptible way? I attended and spoke at all four public meetings organised by the county council. Attendances totalled around 1,500. There was no enthusiasm for what the county is offering, but massive support for option 4.

I obviously welcome the promise of capital investment in schools in my constituency, but I am not in favour of wasteful expenditure just because the Government have, we have been told, made money available. Is it true, as claimed by Essex Conservatives, that Colchester will lose £100 million of capital investment if an application is not made to the Government by March 2009? So far, the county council has not been able to say how it has arrived at the conveniently rounded figure of £100 million, from which sources this money will come, and what timetable will apply in relation to carrying out the Building Schools for the Future programme in Colchester.

There seems to be unanimous agreement that Sir Charles Lucas arts college needs a complete new building because its current campus is well past its sell-by date. There are mixed views as to whether an academy or a replacement secondary school is the best way forward in that regard, but there is unanimity that the site should continue to serve the existing communities from St. Andrew's and St. Anne's wards. The heads of Gilberd and Philip Morant schools have told me that they do not want their pupil numbers increased, as would be inevitable if TLA and Alderman Blaxill shut. Gilberd already has expansion plans for when 3,000 new homes—I repeat, 3,000 new homes—are built in north Colchester. Philip Morant will top 2,000 pupils if Alderman Blaxill shuts. That site could only accommodate such numbers if adjoining open space were developed, but the borough council would oppose that scenario. There is no room for expansion at Stanway school. St. Helena is also on a site where possible expansion is virtually nil and the head's wish to build a new St. Helena school on nearby open space would be vigorously opposed.

Mr. Tippett has, in little more than a year, already transformed Thomas Lord Audley college to the point where last year's exam results were the best in its history. The Minister knows this, because I sent him the full page article from the Colchester *Gazette* only last month. The fortunes of Alderman Blaxill school are also improving, as Mr. Tippett approaches the end of his first year in charge. He took over as executive head in January 2008 and has transformed the place in every respect.

I invite the Minister to come to Colchester and see for himself. I also urge him, please, to impress upon Essex county council that it should uphold the promise that it gave the Secretary of State in May and adopt option 4 as the best way forward and access the necessary funds from the Government to implement improvements to the fabric of Colchester's secondary schools.

1.46 pm

The Minister for Schools and Learners (Jim Knight): I congratulate the hon. Member for Colchester (Bob Russell) on securing this debate. As he said, it is the second debate that we have had on related subjects in the past year or two. That, alongside the regularity with which he manages to appear towards the top of the Order Paper in oral questions and is thereby able to ask about similar matters, means that the organisation of secondary school provision in Colchester is never far from the forefront of my mind.

This debate has given the hon. Gentleman the opportunity to air his opinion. Clearly, he has thought the matter through and has been campaigning hard with his constituents. He has advocated strongly for what he describes as option 4, which is not currently being consulted on by Essex county council, as he said. Similarly, option 5, mentioned by the hon. Member for North Essex (Mr. Jenkin), is not being consulted on. However, I am sure that Essex county council will be listening carefully to what has been said in the debate by both hon. Gentlemen. For reasons that I will explain later, I am somewhat more constrained in commenting on those options than the hon. Gentlemen might like.

This debate gives me the opportunity to congratulate Jonathan Tippett on the work that he does at Stanway school and the assistance that he has given to Alderman Blaxill and Thomas Lord Audley school in improving their results. I will comment further on that.

In respect of the option that the hon. Member for North Essex described, in the limited time available to him during his intervention, I am not against the notion of involving the garrison in any kind of governance arrangement, if that is what it is interested in doing. Many young people benefit from the aspiration towards, involvement in and discipline of the armed forces. Clearly, there is a strong tradition in the Colchester community, in respect of the relationship with the garrison, that may be positively linked to through some kind of partnership with school provision in the town.

Our ambition is to make every school a good school so that every child, in every area, receives the highest possible standard of education, regardless of their background or circumstances. We are working hard to reshape the educational landscape to achieve that vision. The Building Schools for the Future programme, which the hon. Member for Colchester mentioned, has seen the biggest investment in school buildings in 50 years.

Our national challenge programme is tackling underperformance in schools facing challenging circumstances, and new school governance models, such as academies and trusts, are providing real solutions and an opportunity for schools to benefit from leadership and strategic direction from those best placed in the community to provide it.

We now have a good track record of intervening when schools are performing below the required standard, and of turning that performance around, because we have the tools to do that. Although we can set a strategic direction for our schools, and learn lessons from progress, no two areas are exactly the same, and that is the merit of listening to debates such as this and the expertise of local representatives in Parliament. Every area and every school face a different combination of challenges, and need a different combination of solutions. As our communities and the priorities of learners and their families continue to change in the fast-paced 21st-century environment, we must be able to adapt, to challenge the solutions that we have in place, and to come up with alternatives.

School organisation is a local issue, and that is to some extent a constraint on my commenting too much, particularly as we are in the middle of Essex county council's consultation. It is right that school organisation is a local issue. Local government is best placed to determine local need and to find solutions to local problems. It would not be right for us to impose solutions on communities from the centre.

Bob Russell rose—

Jim Knight: I can guess what the hon. Gentleman wants to say.

Bob Russell: What is the definition of "local government"? The truly local government is united on an option. Essex county council is breaching a promise that it gave to the Secretary of State just last May.

Jim Knight: I am aware of that, because during recent oral questions to my Department the hon. Gentleman said that Colchester borough council is opposed to Essex's plans, but I shall not be drawn further into that.

Local education authorities have a duty to ensure that there are sufficient places for pupils, and that high-quality education is provided cost-effectively throughout the area. Those who make the decisions must have regard to statutory guidance issued by the Secretary of State when considering proposals. The guidance details a range of factors, including the impact on standards, diversity of provision and parental choice, demand for places, location and transport, and cost-effectiveness. Our society and communities are changing all the time, so local provision must be reviewed. We must be honest and objective about existing services, and challenge ourselves on whether they are continuing to do the best for the children and families who use them. For example, a surplus of places is clearly not a good use of resources, so we expect local authorities to come up with solutions to tackle that challenge, and to direct resources to raising standards. All factors must be considered in the round, and decisions should be based on what will bring the most benefit to the highest number of pupils.

In the hon. Gentleman's constituency, the 2007 figures show a surplus of 530 places for the three schools combined, which are the subject of option 1 in the consultation. The current proposal, following consultation, is that two successful schools in the Colchester area—Philip Morant and Stanway schools—should be expanded, and that there should be a new academy. The council believes that that would be sufficient to cater for demand, to help to drive up standards throughout the area, and to make better use of local resources. The decision is a local one. The Education and Inspections Act 2006 clearly sets out that school organisation decisions are local and that Ministers should not intervene. The consultation is ongoing, and people are still responding. It has canvassed the views of all secondary schools in Colchester, as well as parents and other residents who would be affected by the proposed changes.

I cannot pre-empt the outcome of the consultation. It will be for the local authority—Essex county council—to consider the responses when that process is complete, and to decide how best to proceed, bearing in mind the representations from the hon. Gentleman for option 4, and those from the hon. Member for North Essex for option 5. I urge the hon. Member for Colchester to keep in mind the importance of raising standards for all pupils in Colchester. Alderman Blaxill and Thomas Lord Audley schools and Sir Charles Lucas arts college are three of the lowest-performing schools in the country, and 15 months ago all three were in special measures. A particularly significant challenge for Colchester was that, when only 50 schools fell into that category nationally, Colchester had a relatively high concentration. Many people have worked hard to turn that situation around, not least the staff and pupils at those schools.

Although we will not have validated exam results until the new year, self-reported GCSE results from the summer show improvement in all three schools. I pay tribute to the staff and pupils for that achievement, but those schools are still not where we want them to be in terms of what they are achieving for their pupils. Although two schools have now improved and have been lifted out of special measures, Alderman Blaxill school remains in that category. All three continue to need extra support, and receive that support from my Department through the national challenge. Essex county council decided that they should remain within the national challenge programme, because they are in continued danger of not reaching or of dropping below the 2011 floor target of gaining 30 per cent. five A* to C at GCSE, including English and maths. Under the national challenge for this academic year, £66,500 of support has been allocated to Thomas Lord Audley school, £75,500 to Alderman Blaxill school, and £91,000 to Sir Charles Lucas arts college. That funding will focus primarily on improving standards in English and maths, and raising the quality of teaching. It will also focus on improving attitudes to learning, exclusion rates, and the quality of leadership at middle management level.

The hon. Gentleman is aware that plans for school reorganisation in Colchester are still under consultation. In addition to the closures being considered, the council is considering turning Sir Charles Lucas arts college into an academy, and again that is a matter for local decision. I am encouraged that the council is considering a range of solutions to the problems facing Colchester, and academies are a viable option. I ask the hon. Gentleman to take a pragmatic view of that.

Bob Russell: I have.

Jim Knight: He says that he has, and we are grateful for that.

The recent PricewaterhouseCoopers report found that academies are making excellent progress, and going a long way towards tackling the difficult problems facing some of our communities and schools. The report said that sponsors contribute significantly to school improvement, and that leadership and governance in academies is good. According to the National Audit Office, GCSE performance is improving faster in academies than in other schools, and they are on course to deliver real value for money. Of the 24 academies so far inspected by Ofsted, 96 per cent. have been graded with good or outstanding leadership.

Academies are making a real difference, and the national challenge programme is providing a floor target, substantial funding, and a real opportunity to raise standards in some of our most challenging areas. Given that track record, and the opportunities presented by the national challenge, I hope that the hon. Gentleman will view academies with an open mind, and support them if they are right for pupils, parents and the community.

Bob Russell: The only problem with the Minister's last observation is that the option of an academy in south Colchester was rejected in the spring because the public did not want it. It is difficult now to advocate an academy when the education authority dismissed it and gave the Secretary of State a categorical assurance that it would proceed with the three-sites, one-school option. That promise was given to the Secretary of State, and he gave it in good faith to the House, but it has been broken.

Expansion of Stanway school would be difficult because the surplus playing field was sold off to pay for the new school, so there is no room for expansion there. It would also be difficult to expand Philip Morant school because the only way would be to build on land that is preserved as public open space. Those two schools cannot physically accommodate pupils if the other two schools shut.

Jim Knight: The hon. Gentleman is tempting me to comment on school organisation while it is subject to consultation, but I shall resist that. I am simply suggesting that an open mind is helpful when considering academies. The proposal for the arts college is for an academy, and regardless of how matters are resolved in respect of Alderman Blaxill and Thomas Lord Audley schools, if Sir Charles Lucas arts college becomes an academy, I hope that he will not oppose that if he thought that it was right for pupils in his community.

Our ambition is to build a world-class education system so that every child can make the most of their potential and go as far as their talents will take them. If we are serious about building better schools that serve the needs of 21st-century learners and communities, we must be prepared to make some tough decisions when they are called for.

I wish both hon. Gentlemen and you, Mr. Martlew, as well as pupils, families and teachers in Colchester, every success for the future and a very happy Christmas.

Question put and agreed to.

1.59 pm

Sitting adjourned.

Westminster Hall

Wednesday 17 December 2008

[Mr. Frank Cook *in the Chair*]

Libel Laws

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mark Tami.)*

9.30 am

Frank Cook (in the Chair): The first topic for consideration today is the operation of the libel laws. As I have no specific knowledge of what aspects of the subject are to be put before us, I thought it advisable to refer to "Erskine May". Its advice is as follows:

"reflections must not be cast in debate upon the conduct of the Sovereign, the heir to the throne, or other members of the royal family, the Lord Chancellor, the Governor-General of an independent territory, the Speaker, the Chairman of Ways and Means, Members of either House of Parliament, or judges of the superior courts of the United Kingdom, including persons holding the position of a judge, such as circuit judges and their deputies, as well as recorders."

I am not saying that anyone will be so indiscreet as to do that. To do so, the decision must be based on a substantive motion to be placed before the House. We do not have time for that, but I am sure that everyone will bear in mind the advice that I offer. I call Mr. Denis MacShane.

Mr. Denis MacShane (Rotherham) (Lab): Thank you, Mr. Cook. Believe me, I have no intention of transgressing your wise suggestions.

I start with a short anecdote. I have just returned from Washington. With other Members of this House, I attended a meeting of the NATO Parliamentary Assembly. You, Mr. Cook, will be well aware of its workings, as you are a distinguished member of the assembly. We were invited to a reception at the Congress building on Monday night by Nancy Pelosi, the Speaker of the House and a dear friend of many of us. She took us to Congress and led me to sit in the Speaker's chair in the House of Representatives.

As a political tourist, I found that most interesting. As I sat there, I reflected on this morning's debate, because Congress is poised once again to pass a new law to protect its citizens and all who live there—but from what? To protect them from this, our country, Britain. As in the 18th century, the British establishment is seeking to silence Americans who want to reveal the truth about the murkier goings-on in our interdependent world. I speak not, I am glad to say, about the Government but about the English legal system. Lawyers and courts are conspiring to shut down the cold light of independent thinking and writing about what some of the richest and most powerful people in the world are up to.

The practice of libel tourism as it is known—the willingness of British courts to allow wealthy foreigners who do not live here to attack publications that have no connection with Britain—is now an international scandal. It shames Britain and makes a mockery of the idea that Britain is a protector of core democratic freedoms. Libel tourism sounds innocuous, but underneath the banal phrase is a major assault on freedom of information, which in today's complex world is more necessary than ever if evil, such as the jihad ideology that led to the Mumbai massacres, is not to flourish, and if those who traffic arms, blood diamonds, drugs and money to support Islamist extremist organisations that hide behind charitable status are not to be exposed.

I put it to the House that it is unbelievable that the state legislatures of New York and Illinois, and Congress itself, are having to pass Bills to stop British courts seeking to fine and punish American journalists and writers for publishing books and articles that may be freely read in the United States but which a British judge has decided are offensive to wealthy foreigners who can hire lawyers in Britain to persuade a British court to become a new Soviet-style organ of censorship against freedom of expression.

Richard Ottaway (Croydon, South) (Con): For a libel action to be successfully mounted in the United Kingdom, there would have to be a libel in the UK. All the laws in the world passed by the United States cannot stop that happening. Would the hon. Gentleman not agree?

Mr. MacShane: That is self-evident, but the US is seeking to protect its citizens and those who reside there who write and publish material that would not be defamatory and that would be protected by the first amendment from facing heavy fines and heavy awards of costs in British courts that would then render it impossible or dangerous for such writers to travel to Britain. That is unacceptable between the two great countries of the Euro-Atlantic alliance.

Richard Ottaway *rose—*

Mr. MacShane: I wonder whether the hon. Gentleman might make his speech in his own time.

It is worrying that 30 non-governmental organisations recently met human rights lawyers to express concern that libel tourists come to London to prevent the publication of NGO reports on parts of the world and individuals that, of course, rarely get much coverage in our newspapers. NGOs are an important source and conduit of information that is of interest to public policy and to the broader public, telling us what is going on and who is doing what to whom in parts of the world. These things need exposure. The NGOs are meeting lawyers because, thanks to libel tourism, some of the individuals mentioned in their reports can come here and attack those publications, seeking redress against distinguished organisations such as Human Rights Watch.

We all know that the libel laws in Britain have always been the plaything of the rich. Too many editors believe that destroying people by revealing aspects of their private lives helps sell newspapers. I shall not abuse parliamentary privilege—although, Mr. Cook, "Erskine May" does not extend the protection that you quoted to newspapermen—by describing the sexual antics and peccadilloes of newspaper proprietors, editors and journalists. [Hon. Members: "Go on!"] Well, it is Christmas and I shall not be tempted down that path.

If the editors of the *Daily Mail* or the *News of the World*, or Mr. Murdoch or Lord Rothermere, ever suffered the invasion of privacy and the pestering of children and family and friends to gain tittle-tattle gossip of the sort that they inflict on others, they would

[Mr. MacShane]

be first in line to demand even stronger laws to protect privacy when no public interest or illegal wrongdoing was involved.

Successive Governments have shied away from reforming libel and privacy laws, for fear of upsetting media friends. Stanley Baldwin was the last Prime Minister to have the courage to denounce the bullying behaviour of newspapers and their ideological crusades masquerading as news reporting, with his famous description of our papers enjoying

"power without responsibility—the prerogative of the harlot throughout the ages."

The Press Complaints Commission is utterly toothless, and its code of conduct is treated with contempt by the very editors who serve on it. The National Union of Journalists has a better code of conduct, but proprietors and editors refuse to co-operate with the NUJ to uphold high standards. No one wants to dictate who can or cannot be a journalist. As it is, too many decent journalists face unemployment as the economics of publishing printed media become difficult, if not impossible.

We need a small claims libel court, or the defamation equivalent of an employment tribunal for the poor and vulnerable who are traduced by the press. We need limits on what a libel court can award by way of damages.

Mr. Edward Garnier (Harborough) (Con): Is the hon. Gentleman not aware of the summary jurisdiction of the High Court in these matters?

Mr. MacShane: Yes, I am. The hon. and learned Gentleman, of course, is an adornment to the libel bar. I am sure that we will be given many insights into its operations when he speaks in his capacity as the Opposition spokesman.

There is no possibility of people securing a quick apology and redress. I believe that there should be no conditional fees except for those on modest incomes. Indeed, I would go so far as to say only those eligible for legal aid should be allowed conditional fees.

Richard Ottaway: Why?

Mr. MacShane: From a sedentary position, the hon. Gentleman asks why. Conditional fees are now being used to stack up multi-sum costs, with lawyers being completely out of control in what they charge. All that falls on the defendant if a single judge finds in favour of the plaintiff. Perhaps only one or two other countries work like that.

The object of going to court is not to make it a racket for lawyers. The object should be to obtain a correction or an apology with due prominence and not to make mammoth financial gains. A time limit should be put in place for seeking redress, so that after the passage of, say, six months or a year it would no longer be possible to sue a publication or internet site. Newspaper editors and internet comment sites and blogs also have to accept responsibility. Too much is published in too many parts of the world that breaks all the deontological rules of journalism, and too many powerful politicians adopt the late General de Gaulle's view that news broadcasts and television should always reflect the views of the state.

A particular problem surrounds internet blogs. Even on a well-run site, such as *The Guardian* comment is free site, the editors allow anonymous hate mailers to defame and insult people in a frightening manner. A simple rule might be to demand the publication of names and addresses, except where for good reason, as in a newspaper letters column, a name and address is withheld. Internet anonymity is now used too much to protect hate speech and defamatory insults.

Much of that, however, cannot be regulated in one country alone, but requires a global sense of responsibility. In the meantime, the purpose of today's debate is to stress the need for urgent action to stop London being the world centre for assaults on freedom of expression. The US Congress, where I was on Monday night, now proposes to legislate through its Free Speech Protection Act 2008, which is expressly designed to protect Americans from British courts and judges seeking to curtail freedom of expression.

The case arises from the Kafkaesque position of the writer Rachel Ehrenfeld, whose book, entitled "Funding Evil", examined the flow of money towards extremist organisations that preach the ideology of hate associated with Wahabism and other democracy-denying aspects of fundamentalist Islamic ideology. It is not exactly a secret that a great deal of the money that has financed fundamentalist extremist organisations that support jihad has come from Saudi Arabia. Ms Ehrenfeld's book, which was published in America, not Britain, named a Saudi billionaire called Mr. Khalid bin Mahfouz. Although the book was published in the United States, and was not on sale in any British bookshop, he found lawyers to sue in Britain. A British judge imposed a fine and costs on Ms Ehrenfeld, and said that her book should be destroyed, even though she was not in the court. No American court would have entertained such overt censorship.

The fullest examination is vital of those raising money, sometimes ostensibly for charitable work, but which ends up promoting fundamentalist ideology that scrambles young men's and boys' minds and leads them to become terrorists. There is no freedom of expression in Saudi Arabia, so it is the duty of others to expose what is happening. With the help of British libel lawyers, Mr. Mahfouz has launched 33 suits against those who are investigating this important area of public concern. Cambridge University Press was obliged to pulp its book "Alms for Jihad", written by Robert Collins and J. Millard Burr, rather than face a libel action in British courts, which seem at the moment to side with those who finance extremism rather than those who seek to curb it. The case of Mr. Nadhmi Auchi also comes to mind. What is happening when Cambridge University Press, not some odd, little, obsessive publishing house, but one of the flowers of British publishing for centuries, has to pulp a book because British courts will not uphold freedom of expression?

A Tunisian has used the British courts to sue the Dubai television network, al-Arabiya, which broadcasts in Arabic. Last November, a British judge awarded the man £165,000 without al-Arabiya being in court. Mr. Mohammed Sawalha attacked this summer's celebrations of the 60th anniversary of the state of

Israel and referred to the "Jewish evil" in Britain. That was reported on the political website, Harry's place, and immediately Mr. Sawalha threatened to sue. At a time when we need the maximum examination of who is financing ideology that leads to terrorism, we find that British courts, judges and lawyers are acting in the opposite direction to silence investigations. I doubt whether any of the lawyers, the judge or court officials in question can read Arabic or have any real acquaintance with Wahabism or Islamic fundamentalist ideology, and yet they act as defenders of those who promote extremist ideology, not those who try to expose it.

After the scandal of London being the home to many preachers of hate and militant Islamist ideology, in the 1990s and into this century, against whom the British authorities refused to move until July 2005, when the scales were lifted from some, but not all, eyes, another part of the British establishment—judges and lawyers—are protecting those accused of funding anti-democratic ideology and seeking to punish those who expose this evil. Quite rightly, American law-makers have moved to protect their citizens against such extraordinary decisions by the British legal system. Rather than allow the US Congress to pass laws to uphold freedom of speech, the House of Commons should move to outlaw libel tourism.

Moving away from ideology, the surreal nature of libel tourism can be found in the case of the Danish paper, *Ekstra Bladet*, which found itself being sued by the Iceland-based bank, Kaupthing, after it criticised it. Kaupthing's default has caused distress to British savers, and every Member will have a constituent who has lost money and is very concerned. The collapse and wrongdoing of Kaupthing might be about to return Iceland to a rural economy. One would have thought, therefore, that exposure of the bank's practices would have been in the widest public interest, but no. The British libel firm, Schilling and Lom—it certainly made plenty of shillings out of this case—which seems to specialise in touting for business, along with the infamous Carter-Ruck, acted for Kaupthing in London on the grounds that the articles critical of Kaupthing were available on the web. Again, one might have hoped that a British judge would have simply thrown out the case, but of course libel law is a very lucrative business for those small numbers of solicitors and barristers who practise it.

Consideration needs to be given to the role of one particular judge. I shall not name him, because he is an honourable man, but it cannot be right that one area of law is principally in the hands of a single judge. There are not three or four judges discussing this and thereby creating a kind of common law, in which different opinions can be challenged.

I could cite further examples of rich Russian and Ukrainian oligarchs criticised in publications with no, or nugatory, circulation or presence in the UK, mainly through the web, using British courts to seek to close down or attack their critics. I am informed that there will be a ruling today about an article in *The New York Times* in a case brought by a plaintiff here in London. I do not know what the result will be, but why on earth is a British judge deciding on, or even hearing, a case against one of the world's great papers, simply because the plaintiff does not have the courage to take his case to, or knows that it would not stand up in, a New York court?

We need to end libel tourism. It would be helpful if the Law Society investigated the behaviour of firms such as Schilling and Lom and Carter-Ruck, because actively touting for business is a serious problem. It will require legislation in our Parliament, not in the US Congress, to bring libel tourism to an end, and I welcome the Culture, Media and Sport Committee's decision to hold an investigation into libel law. However, will the Minister examine whether the draft Civil Law Reform Bill, which the House will deal with in this Session, could include a small clause on libel tourism? Such a clause could assert that any action for defamation in a British court would require that the publication be based in the UK and that the plaintiff have a strong connection with the UK. The old legal doctrine of forum non conveniens needs to be asserted—people should sue in the country where the publication was issued and of which they are a citizen. Damages should not be greater than £10,000 and costs should have to be met by the plaintiff with conditional fees available only to those who would qualify for legal aid. Furthermore, reference to a link or some other publication would not be grounds for a libel action. Such a clause could go further and enshrine in law the so-called Reynolds ruling, which allows a defence of public interest in reporting on individuals. A plaintiff should have to prove malice and a reckless disregard for the truth, to paraphrase US defamation law. In these times when swindlers have been allowed to create their pyramids of debt, we need stronger journalism and judges who defend the public's right to know and not the lawyer's right to use the law to maximise his profit on behalf of causes that are not worthy of consideration by a British court.

I am grateful to have been awarded this debate. I will listen to comments from hon. Members and from the Opposition spokesman, the hon. and learned Member for Harborough (Mr. Garnier), who, as I said, is himself one of the adornments of the libel Bar in Britain. British citizens deserve protection against the lies and invasion of privacy that some of our newspapers indulge in, but Britain should not be a new world centre in which wealthy foreigners can seek redress against writers of publications that have little connection with our country. It is time for libel tourism to be ended, and it is better if the House of Commons and not the US Congress takes in hand the necessary reforms to stop this practice that shames our democracy.

Frank Cook (in the Chair): The protocol of 90-minute debates in this Chamber requires us to start the first of the three wind-up speeches at 10.30. That means that we have 39 minutes between now and then, and I have five individuals seeking to catch my eye. I ask those Members to bear the time limitations in mind when they make their speeches, and also when they accept or respond to interventions.

9.51 am

Mr. Andrew Pelling (Croydon, Central) (Ind): I congratulate the right hon. Member for Rotherham (Mr. MacShane) on securing the debate. The timing is important because English PEN and Index on Censorship are conducting their own public inquiry into the conduct of libel laws. The Culture, Media and Sport Committee

[Mr. Andrew Pelling]

looked last year into the issue of privacy intrusion and the prospects of being able to deal with it solely through self-regulation in the media. It will also be going on specifically to consider this issue, so the debate is timely.

I should like to make some declarations of interest. I am a client of the excellent Carter-Ruck and I am currently taking recourse to the libel courts regarding issues relating to the media.

It is important that we recognise the vital role that the press plays in underpinning our liberal democracy—the way in which it endeavours to secure open government and to hold those in the public sector to account. In some ways, we need to ask why it is that the news media has to play such an important role—perhaps it is because the strength of the Executive within our political system is so strong that often Parliament is more neutered in that role compared with the media.

As 1960s' children, many of us have grown up with an awareness of the importance of the national media's role. In the US, we all remember the role that Woodward and Bernstein played in Watergate. Moreover, I remember the campaigning way in which *The Sunday Times* ran story after story on how the parents of children who had taken thalidomide had been so badly let down by both the drug companies and Government.

It is often said that the pen is mightier than the sword. Indeed, the pen is very mighty, which is why we have a legal system that ensures that if the media behave irresponsibly, people have recourse to the libel courts. Very often damage is done to families when kiss-and-tell stories or other revelations take place, and that damage is left behind for many years to come. Many people might well be tempted to tell their own story. Perhaps they might be offered money to tell stories, but they may all live to regret it subsequently.

However, we must be cautious about entering into a situation in which libel laws are greatly restricted, particularly when we remember that it is not necessarily Russian billionaires or those who can buy their way into protection who are affected. We just have to think about what happened to Kate and Gerry McCann. Four newspapers thought it appropriate and responsible to suggest that the McCanns had been responsible for the death of Madeleine and the disposal of her body. It is important to remember that it was the courts that brought the libel to an end, and the newspapers had to publish, on their front pages, in an unprecedented way, apologies to Kate and Gerry McCann.

I admit that I was frightened to come to this debate and to express my views about the media. One could be subjected to unbridled retribution by the media if one were to make comments about the appropriateness of libel laws. I hope that those who report my speech will quote me in full when I say that I feel strongly that it is important for Members of Parliament not to be intimidated by the press in speaking out on this issue.

I have had my own personal experience. A style of cut-and-paste journalism led to a report that suggested that when I was unwell, I had managed to work in the City, but not here. Those allegations were false. After several calls with journalists, I finally came upon a very empathetic female journalist from *The Daily Telegraph* who realised halfway through her interview that she was dealing with someone who had suffered previously from mental ill health. Unfortunately, very often journalists are looking for the story and not necessarily for the full truth.

We must bear it in mind that it is often particular newspapers from a particular newspaper group that perform the worst. If we look at the number of complaints that go to the Press Complaints Commission, it is clear that one group has far more complaints made against it. We must not cast aspersions across the whole of the media as a result of the behaviour of a very limited number of journalists. I was interested to see that the book "Flat Earth News"—recommended to me by Alastair Campbell in the briefest of chats—referred to a particular newspaper group that acts with unmitigated spite to cripple reputations, and to kill ideas regardless of justice and truth.

I am very mindful of others who wish to speak, so I will bring my remarks to a conclusion after speaking briefly about the operation of conditional fee agreements, which was criticised earlier. CFAs are often wrongly described as a contingency fee agreement. There appears to be the perception that a lawyer in a successful case is entitled to a percentage of the damages won. However, the arrangement does not work in that way. If the case is lost, the lawyer gets nothing. If the case is won, the lawyer is entitled to be paid his basic charges in addition to a success fee, which is a percentage uplift on the basic charges. The winning client is entitled to seek to recover from the losing opponent his reasonable costs, which are assessed by the court if not agreed, and which may include a reasonable success fee and a reasonable after-the-event insurance premium.

Both the level of the success fee and the amount of the premium are also subject to assessment by the court if the costs cannot be agreed. Success fees are typically staggered. If a case is settled before proceedings are issued, the success fee will normally be capped at 25 per cent. It only increases to 100 per cent. if the case looks as though it will progress to trial, where the risks are much higher. The availability of ATE insurance means that if a client loses, the insurance will cover—up to a maximum of the indemnity in the original policy—the newspaper defendant's cost. It is clear that libel lawyers under CFAs act for many people who are on income support, including individuals who may well have been falsely accused of extremely serious crimes.

There is great danger in how the Government and Parliament act because, in many ways, they always take rights away from those who are in the middle of society. The idea that, somehow, only those who are on income support can have access to CFAs strikes me as being yet another blow against the lower middle class and their ability to access the courts. Complaints are made about the cost of libel courts. Unfortunately, the reality is that the cost of all courts stops many of my constituents having proper access to them to defend their rights, whatever the issue.

Several hon. Members *rose—*

Frank Cook (in the Chair): Order. There are 30 minutes left for Back Benchers to speak in the debate and three hon. Members are bidding to make a speech.

10 am

Norman Lamb (North Norfolk) (LD): I congratulate the right hon. Member for Rotherham (Mr. MacShane) on securing the debate, which is on an incredibly important subject. I look forward to hearing the Minister's response to the extremely important points that were made on the phenomenon of libel tourism. The hon. Member for Croydon, Central (Mr. Pelling) also made some important points on the protection of individuals against irresponsible journalism, and I absolutely accept his concerns.

I apologise for the fact that I must leave before the end of the debate, but I have a long-standing commitment to meet. I warned you of that earlier, Mr. Cook.

I have two reasons for contributing to the debate. First, I have an interest in, and commitment to, the incredibly important principle of freedom of expression. Secondly, I have an interest in serious and responsible investigative journalism. Those two things are essential to the proper functioning of a liberal, democratic society. It is essential that journalists are able to perform that function, to root out wrongdoing, whether it is by Government officials, politicians or private individuals, and to hold Governments to account. As the right hon. Gentleman indicated, it could protect us from harm.

There are widespread concerns among journalists and others that the UK libel laws, combined with the cost of defamation litigation, act as a constraint on, and an impediment to, the effective and legitimate work of investigative journalists. Those concerns have been heightened by the application of libel law to those who contribute to the internet and those who write blogs. I have no interest in people who make wild allegations that are not supported by facts. They do not deserve the protection of the law.

I shall offer one case study—I stress that I do not know all the details or the full story—that illustrates how the threat of defamation proceedings using, primarily but not exclusively, UK libel laws may succeed in closing down legitimate inquiry and reporting. I should also stress that I do not want to use this opportunity to take advantage of the privilege that we enjoy to make fresh allegations against any individual.

The case involves Nadhmi Auchi, whom the right hon. Gentleman mentioned. He is a British citizen—an Iraqi exile—and he is reported to be a multi-billionaire. He was convicted in France in 2003 of fraud in a trial involving the oil company Elf. Importantly, he continues to assert his innocence of the charges—there was a conviction, but he is pursuing routes of appeal against it. He was barred from entering the United States in 2005. My interest in the matter is in his connections to Tony Rezco, who was convicted of fraud, money laundering and bribe-related charges in Illinois, and who is currently in prison pending sentencing. We understand that sentencing has been delayed, and it has been suggested that he should talk to federal prosecutors, especially about allegations against Illinois Governor Blagojevich, which are being investigated. There is political interest in the US because of the connections between Rezko and President-elect Obama. I make no allegation at all relating to the latter.

There have been reports that a company related to Mr. Auchi registered a loan of $3.5 million to Tony Rezko on 23 May 2005. That and other alleged connections are obviously of great interest to investigative journalists and others. More to the point, it is legitimate to investigate such a matter, given that Mr. Auchi is a prominent British citizen with political connections in this country and overseas. As I said, it is not appropriate to go into more detail, but it is alleged that Mr. Auchi and his lawyers, Carter-Ruck, have been making strenuous efforts to close down public debate. Of course, it is absolutely legitimate for any citizen to demand accurate and rigorous investigation and reporting. The question is whether UK libel laws have the disproportionate effect of discouraging legitimate reporting. Many believe that they do.

On 28 June, *Private Eye* reported Mr. Auchi's instructions to Carter-Ruck. The article states:

"Carter-Ruck's first target was a series of revelatory articles"—

concerning Mr. Auchi—

"printed in the Observer in 2003, which American bloggers and journalists were starting to notice."

Later, however, the article states:

"You will search in vain now, however, to find most of the Observer's reports."

Those reports were from five years ago. It has been reported in the US that Carter-Ruck has been writing to US and British newspapers and websites demanding removal of the material that it deems defamatory of its client. Many are concerned about the fact that creating a link on a blog to a newspaper article, which may have been available for several years to anyone searching the internet, can result in action being threatened or taken. Is that legitimate? Alternatively, should a blogger be able to rely on the journalistic integrity of reliable news sources when a story has already been published and when it has existed for several years?

What steps should be taken? A doctrine arising from Reynolds *v.* Times Newspapers Ltd and others, 1999, seeks to protect serious investigative journalists. Guidance given during that case, as I understand it, included 10 principles that investigative journalists should follow. However, subsequent cases appear not to have applied the principles as intended by the Reynolds guidance, and the protection offered to serious investigative journalists has not been as great as had been anticipated following the judgment.

Jameel and others *v.* The Wall Street Journal Europe Sprl, which was heard in the House of Lords, reasserted the importance of the principles enshrined in the Reynolds judgment, and there is some evidence that courts' interpretation of the principles appears to have improved since. However, the question is whether those principles should be enshrined in statute to give them greater force and clarity. Is there also a case for looking at the burden of proof? I make no judgment about what ultimately should happen. I suggest that this is an appropriate area for consideration by a royal commission.

This is a legitimate area that needs consideration. As the right hon. Gentleman said, it is a long time since libel laws have been looked at and further consideration is long overdue.

10.10 am

Michael Gove (Surrey Heath) (Con): I congratulate the right hon. Member for Rotherham (Mr. MacShane) on securing the debate and the hon. Members for

[Michael Gove]

Croydon, Central (Mr. Pelling) and for North Norfolk (Norman Lamb) on their speeches, both of which contained much good sense.

I draw attention to my declaration in the Register of Members' Interests. As a journalist, I write for *The Times* and have been an executive of that newspaper as news editor. I am committed to the principle of free expression and the freedom of the press. That is not only a consequence of my professional career and vocation, but because I believe that it is only through an effective free press that the exercise and abuse of power can be monitored effectively.

While this country has the police, the courts and a system designed to track down and punish those who do wrong, the press has historically played an invaluable role in bringing such people to the attention of the courts and the police. Sometimes the press is needed to draw our attention to the failure of the authorities in the pursuit of wrongdoing, extremism or other activities that threaten the public interest. Only this week, *The Times* pointed out that someone who has connections to Islamist extremism that might concern us all has been employed as an adviser to the Metropolitan police's Muslim contact unit.

Not just newspapers, but other institutions that exercise a journalistic or quasi-journalistic function have exposed extremism in public life. Think-tanks such as Policy Exchange, which I used to chair, and the Centre for Social Cohesion have pointed out the extent of extremist influence—particularly but not exclusively Islamist extremist influence—in British public life. Because of the international nature of the extremist threat, there are examples of the press being more effective than states or international institutions in exposing such dangers. An example is the work of Claudia Rosett at *The Wall Street Journal* in exposing the failure of the UN effectively to police sanctions against Saddam Hussein. In all those areas, free expression and a free press have been vital in exposing abuses.

The right hon. Member for Rotherham pointed out that it is of particular concern to all of us who are attached to the freedom of the press that individuals who have been alleged to have links to extremism have used British courts to close down the investigation or publication of allegations that are in the public interest. He mentioned the examples of Khalid bin Mahfouz and Mohammed Sawalha, a British resident who tries to close down legitimate investigation into extremism on the internet.

As the right hon. Gentleman and the hon. Member for North Norfolk pointed out, there is in effect a public interest defence in law for the sort of investigative journalism that I am sure we would all applaud. The Reynolds defence offers journalists and newspapers a form of qualified privilege. That is qualitatively different from the sort of privilege enjoyed in courts and by Members of Parliament because it allows newspapers the comfort that it is legitimate for them to publish allegations provided that the process followed demonstrates that the journalism they are engaged in is of high seriousness, that appropriate steps have been taken to ensure that the allegations are in the public interest and that they are being properly investigated. They do not subsequently have to prove justification to the same threshold required in other cases.

A problem with the Reynolds defence is that instead of being an aid to free expression, according to some it has become an obstacle to free expression. The guidance that the courts originally gave newspapers to help them publish material in the public interest has become another set of hurdles that they have to clear. The hon. Member for North Norfolk pointed out that Jameel and others v. Wall Street Journal Europe Sprl made it perfectly clear that the Reynolds defence should help, not hinder, free expression.

There has been only sporadic implementation of that defence and a misunderstanding of it in many courts. That is why at the very least it is worth exploring whether we can enshrine the principles of the Reynolds defence in statute. That would send a clear signal from Parliament to the courts that the Reynolds defence is in effect as a public interest defence that allows the publication of material that should be part of public debate, particularly when serious issues such as extremism and terrorism need to be investigated.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The hon. Gentleman has set out some components of the Reynolds defence. I believe that part of that approach of responsible journalism is to report the denial of the allegations by the accused. That is not a requirement, but I am interested to hear his view on the matter.

Michael Gove: The hon. Gentleman is right that broadly 10 principles are outlined in the Reynolds defence, one of which is the strong suggestion that an effort should be made to secure the response of the individual against whom allegations are made. It is a basic principle of good journalism that the other person's case should be heard.

I would not wish to erect those 10 principles into 10 absolute hurdles. Discretion should be exercised in the courts and any change to the law should acknowledge that. The important points are whether the material that is published is in the public interest, whether the case is urgent and important enough to justify publication and whether overall the journalists, the newspaper or the blog can demonstrate that they have done everything in their power to ascertain the truth and importance of the allegations that are published.

On costs, the point has been made that conditional fee agreements can raise profound questions of a chilling effect on publication. Indeed, Lord Hoffman has pointed out that freedom of expression may be seriously inhibited by conditional fee agreements. The hon. Member for Croydon, Central has pointed out that they can be helpful to individuals without resources who have been defamed. I do not wish to see the end of them, but it is important that an effort is made not to perpetuate the chilling effect on publication in the ongoing review into the costs of civil judgment. In particular, small and independent newspapers, think-tanks, research groups and other organisations that are vital components of a free and rigorous culture of debate and accountability must be protected in any structure that we create.

Finally, it has been pointed out that internet publication can lead to links being created to articles that were published and brought into the public domain four or five years previously because they remain on an internet

archive. That may be done to substantiate a point that is being made afresh. An individual who creates such a link to material that is already in the public domain can be sued. At the very least, it is questionable whether we should allow the courts to pursue an individual who in all innocence creates a link to an article that has not been the subject of a defamation action. That individual may be sued because of the desire of another to pick off a weak link who he considers to be rich pickings and a suitably unprotected victim. In those circumstances, it would be appropriate for the court to ask, "Why did you not go for the big boys first?"

10.19 am

Richard Ottaway (Croydon, South) (Con): I join others in congratulating the right hon. Member for Rotherham (Mr. MacShane) on securing this debate. It has been a particularly high-quality debate, but the battle lines have been drawn. The right hon. Member for Rotherham and my hon. Friend the Member for Surrey Heath (Michael Gove), with their distinguished journalistic backgrounds, veer towards the freedom of expression side of the argument; my neighbour the hon. Member for Croydon, Central (Mr. Pelling) veers towards the protection of the individual, and I will come down on his side in my remarks.

I draw it to the attention of the right hon. Member for Rotherham that at the beginning, Mr. Cook, you sensibly quoted from "Erskine May", but he has called in public, in the mother of Parliaments, for an investigation of two firms of solicitors. I sincerely hope that he has something with which to back that up, because it is one of the most serious allegations that can be made against a component part of the judiciary.

Mr. MacShane: I should have declared an interest as a former president of the National Union of Journalists; I hope that all of us here declare all our interests. In my region of south Yorkshire, we have taken action against solicitors in connection with moneys and compensation paid to miners. The notion that an ordinary individual, let alone an MP in the House of Commons, cannot ask the Law Society to investigate any solicitors' firm is quite remarkable. Such outfits tout for business. They boast on their websites that they will obtain redress. The Law Society needs to take the matter into consideration.

Richard Ottaway: There is a world of difference between complaining about the activities of a firm of solicitors in conducting its business and calling on the Law Society to investigate, but I will let the matter rest there. Perhaps I should have declared at the outset my interest as a practising solicitor, although, having had the conduct of libel actions in the past, I no longer have any libel practice.

What we have here is the clash of three conflicting rights against each other: freedom of expression, the right to privacy and the right not to be libelled. There is an important distinction to be made between the right to privacy and the right not to be libelled, or between privacy and libel. If someone engages, for example, in sadomasochistic sex in private and a newspaper publishes that fact, it is open to the people concerned to complain that their right to privacy has been breached. If someone has said, obiter, "Sadomasochistic sex is not the sort of thing I get up to," the press are quite right to say that that person does not have a right to privacy, because he is, in effect, being a hypocrite. If, however, someone does not engage in sadomasochistic sex but a newspaper says that he is, that is libel. There is a big difference between privacy and libel, and I hope that on another occasion we might have a debate on the right to privacy rather than on libel.

The press focus on the right to freedom of expression. My hon. Friend the Member for Surrey Heath highlighted the fact that the press have done noble service in exposing crimes. However, it is not that that people are complaining about; of course the press have a role in exposing crime, wrongdoing and hypocrisy. They are complaining about individuals' right to privacy being breached. That is where I suspect my hon. Friend and I interpret the same set of facts differently with regard to what is in the public interest. Is it in the public interest that someone who engages in a private activity on his own property should have that fact published in a newspaper or broadcast?

The right hon. Member for Rotherham discussed the publication of a *New York Times* article and its worries about libel laws here. The point, which relates to my intervention, is that if *The New York Times* is published in the United Kingdom, the newspaper must stand by its statements under the jurisdiction of UK laws. If the United States passes a law saying that that cannot happen, that will not affect what goes on here, because the United Kingdom is the jurisdiction to which any publication or statement made in the United Kingdom is subject. That applies to books as well. A book published in the United Kingdom, although it may have been written overseas, is subject to UK laws.

Mr. MacShane: It is very decent of the hon. Gentleman to give way. I do not want to eat into the former Front-Bench spokesman's time, but is he aware of the consequences of following that path of argument? The libel tourism Act that is now before two US state legislatures, and that may possibly go to Congress, will allow an American citizen to countersue in a US court and for an American court to impose damages and fines on someone who sued in a British court.

Mr. Pelling: American imperialism at its best.

Mr. MacShane: No, it is not that. It is British imperialism to think that a British court can stop the publication of a book, order it to be pulped and impose a fine on an American writer for something that has not been sold or displayed in a book shop in this country. We must understand forum non conveniens. We sue in the country where the person is principally based and where the publication is published, not in a country where a few copies may be bought.

Richard Ottaway: The right hon. Gentleman repeats points that he made in his speech. What the Americans do and how they conduct themselves in the courts is entirely a matter for them. The Front-Bench spokesman, my hon. and learned Friend the Member for Harborough (Mr. Garnier), knows far more about the libel laws than I do and will no doubt touch on that. I am making the simple point that a publication in this country is subject to UK laws.

[Richard Ottaway]

On the question of contingency fees, I think that they are one of the most significant developments in the protection of the individual. Before their introduction, the only people who could run a libel action were those on legal aid and the very rich, not the middle class. I am happy to be a part of the middle class and to stand up for its values—

Mr. MacShane *rose—*

Richard Ottaway: The right hon. Gentleman may say nay—

Mr. MacShane: No, I actually agree with the hon. Gentleman on this.

Richard Ottaway: I congratulate the Government on introducing that measure—I think it was this Government who introduced it—because it allows the individual a chance to fight back if he feels that his privacy has been breached or that he has been libelled.

My hon. Friend the Member for Surrey Heath spoke about Lord Hoffmann's remarks on contingency fees in the House of Lords. In the same judgment, Lord Hoffmann said that the right to expression does not trump the right to privacy or the right not to be libelled, that there must be a balance and that one was not to exclude the other.

One good suggestion made by the right hon. Member for Rotherham was that of a small claims court for libel action. I had not heard that idea before today. The MP whose local newspaper has misreported him wants some little vehicle to make his point. The Press Complaints Commission still has a long way to go to establish its credibility fully on that front, so such a vehicle has some attraction. If some inquiry goes into it, as the hon. Member for North Norfolk (Norman Lamb) suggested, I hope that it will be on the agenda.

Bob Spink (Castle Point) (Ind): Is the hon. Gentleman aware that there is a form of small claims court in the pre-defamation protocol that must be gone through? Using that, I have settled out of court with a small sum: an immediate apology in the newspaper and £100 paid to my local church. I settled in that way with a number of newspapers that repeated a defamation almost innocently. We should use the large hammer to crack the large nut.

Richard Ottaway: I seem to be in a minority in not being subject or party to a libel action, so I do not speak with any experience. My hon. Friend—excuse me, the hon. Gentleman—makes a useful contribution. *[Interruption.]* He is now an ex-Friend, but he is still a personal friend.

The media in this country are tremendous. They play an important role. They are, of course, self-appointed and self-selecting, but their contribution to British society is none the less paramount. However, they must realise that at times, some elements of the media can behave irresponsibly. The libel laws exist to protect the citizens of this country, and those laws should not be eroded.

10.29 am

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I should also start by declaring interests, in that I have also had to seek recourse to talk to lawyers and indeed pay them in relation to a media attack. However, I did so with a heavy heart and the matter has not yet gone any further into court. That is because I think that there is a real challenge in this country at the moment in respect of threats to free speech. I do not think that that particular right—the right to free expression—receives enough protection in the law or by the police.

My record on this issue personally is one of campaigning generally for more freedom of expression, for example in respect of the abolition of the law on blasphemy. I did not have the opportunity to check if hon. Members who are arguing for free speech in respect of the press voted the right way on all the votes that we had on the abolition of that law, but I certainly welcome the fact that we no longer have it. Indeed, I played a part in defeating the Government's original proposals on religious hatred, which were a real threat to free expression.

There is also an issue in respect of overuse of section 5 of the Public Order Act 1986, both in terms of its scope and the way that the police actually police it. What we are dealing with now is another area where there needs to be some work done, and I speak on behalf of my party in this respect.

It is important to pay tribute to organisations that are not necessarily sponsoring this debate but are sponsoring calls for a review of the libel laws, such as PEN, the writers' organisation that has done so much work in campaigning for the civil rights and human rights of writers abroad and indeed for the freedom to author in this country, and Index on Censorship. There is also Article 19, the organisation that is 20 years old this year, which has a fantastic record abroad more than here in seeking to ensure that there is freedom of expression.

One of the questions that needs to be asked, as well as the questions about the libel laws, is whether or not the Government are concerned about other issues that affect the ability of the press and others to speak freely. There is a proposal for a defamation of religion provision at the UN and there is a law against holocaust denial, which emanates from the EU. It is an outrageous thing to deny the holocaust, but I do not think that we should criminalise being wrong.

Also, we have a law in this country on criminal defamation, which relates to this debate. So I would be interested to know if the Government can explain what their proposals are on this issue, because in answer to a question from Lord Lester of Herne Hill on 13 May 2008 about whether or not they planned to abolish the common law offence of criminal libel, the Government said:

> "We plan to seek views on the possible abolition of criminal libel in respect of defamatory material as part of a wider consultation on certain other aspects of defamation law. We hope to publish a consultation paper later in the year."—[*Official Report, House of Lords,* 13 May 2008; Vol. 701, c. WA120.]

We are coming to the end of the year now and it would be very helpful if the Minister said where that consultation paper is now and whether or not it is going to be forthcoming.

Of course, we also have an offence in this country of seditious libel. It is never used, but it is allowed by other

countries to justify their having it and using that law to hold people down and repress them in terms of what they can say.

I do not think that there is any doubt that there is a problem in this country, not just in respect of the way that libel laws work and the problem of libel tourism, but the fact that there is now a chilling effect from this matter. So it is not only the cases that come to court that should concern us and the judgments therein, or the sort of people who are coming to court, but the fact that this matter is now known, it is out there and there must be some restraint being placed on authorship. That sort of restraint, and that chilling effect, is something that we must take into account and regret almost as much as the problems that exist.

As hon. Members have already said in what has been an excellent debate—I do not have time to try to respond to all the points that have been made, nor would it be appropriate for me to do so—it is important to distinguish the problem of libel from the allegation of a problem of privacy law. That is because I think that in this area Paul Dacre, the editor-in-chief of *The Daily Mail*, was wrong. Ever since we signed up to the European convention on human rights, judges have had to balance article 8 with article 10 and I think that the emerging case law does that appropriately. I also think that Mr. Justice Eady has done it appropriately and if it is claimed that he did not do it appropriately, there is, of course, the right of appeal to the Court of Appeal and to the Law Lords. In particular, my view of the Mosley judgment, having read it, is that it was mature, detailed, balanced and reasonable, and we should separate out that issue—the privacy law—from concerns that the media have about the libel law.

There are several questions raised by the libel law. Is the burden of proof correct? Is it right that the defendant has to prove that a claim is true rather than the claimant having to prove that it is false, and are there sufficient defences? A second question is what should we do about internet sites and internet service providers and about issues related to jurisdiction?

I think that it is appropriate to respond to the interesting, excellent and typically provocative speech by the right hon. Member for Rotherham (Mr. MacShane) who introduced the debate. There is also an interesting issue about a small claims libel court and perhaps that is something that should be pursued. In respect of conditional fee agreements being restricted only to people who qualify for legal aid, I think that that would be too restrictive. That suggestion is more a comment on how restrictive it is to obtain access to legal aid; one does not have to be in any way wealthy or well off not to qualify.

I would refer the right hon. Member for Rotherham and other hon. Members to the excellent report of the Constitutional Affairs Committee—its third report of the 2005-06 Session—that covered some of the issues that have been discussed today around CFAs. The right hon. Gentleman questioned whether there should be more of a time limit; my understanding is that there was a time limit on libel actions.

Mr. Pelling: One year.

Dr. Harris: Indeed; the hon. Gentleman tells me that the time limit is one year.

There is a further point about what we should do about blogs. I am not sure that it is possible to ban anonymity on blogs, because that would just encourage people to give false or incomplete names and addresses, so we must have a more holistic solution to that problem.

Bob Spink: The hon. Gentleman is asking what we should do about internet defamation and blogs. Would it be so difficult, in fact, to prevent anonymity? Where newspapers set up sites so that readers can make comments, they never force readers to give their true e-mail addresses, although newspapers would be able to do that; they would be able to force readers to give their true e-mail addresses. Would that not be a jolly good start, to ensure that people who wanted to say something had to identify themselves, either through their e-mail address or some other means, rather than just putting "Mickey Mouse" and saying some rather stupid and awful things, as they do?

Dr. Harris: It would be possible, but of course it is also possible to set up a temporary hotmail e-mail account, for example, so that would not be the overall solution.

The right hon. Member for Rotherham also questioned whether law firms were behaving appropriately. I am not sure about that issue. To a certain extent, I agree with the hon. Member for Croydon, North on this issue—sorry, the hon. Member for Croydon, Central.

Richard Ottaway (Croydon, South) (Con): Croydon, South.

Dr. Harris: I will get there in the end, as I head down through Croydon, which is a fascinating place, I am sure.

As I was saying, I am not sure that attacking law firms for touting for business is appropriate. Clearly, it is not an offence to tout for business, nor is it wrong or an offence to invite the Law Society to inquire. However, I think that that suggestion is probably a red herring. We need to deal with the law rather than the practice of solicitors.

In respect of some of the issues that we face, it is important to recognise just how absurd the problem of libel tourism is. *The Economist*, in an excellent article in May, gave the example of a Ukrainian case, where a small Ukrainian newspaper, which had only a handful of subscribers in this country—perhaps only a double-digit number of subscribers in this country—was sued in this country by a very wealthy Ukrainian. The article continued:

"Even more striking was a second victory won"—

that is, won by the gentleman concerned—

"against...an internet news site that does not even publish in English."

That is a sign that things are indeed going too far.

There is also the question of the scope of Reynolds. I agree with the hon. Member for Surrey Heath (Michael Gove) who said that it was important that the Reynolds tests must be seen as a whole and not as individual hurdles. In particular, we should be encouraged by the fact that the Jameel case made that clear in the House of Lords. I hope that the development of that case law will be helpful. I am sceptical as to whether or not it provides a permanent solution, because although that

[Dr. Evan Harris]

case law is developing we still have the problem of people coming to sue here. Maybe the Rome II provisions emanating from the European Union will give protection to internet service providers, but I think that the Government have a task to reassure not just newspapers but bloggers and other individuals in this country that they are appraised of the problem and that they will either give Parliament an opportunity to debate this issue and even legislate on it or have some sort of review to deal with this problem, further than the Culture, Media and Sport Committee inquiry that has just been announced.

10.40 am

Mr. Edward Garnier (Harborough) (Con): Before I declare a number of interests, let me deal with the Rome II point that the hon. Member for Oxford, West and Abingdon (Dr. Harris) made. That deals with the choice of law, rather than the venue or forum. The Brussels regulation that is now being called the judgment regulation is what we need to concentrate on, as it provides a claimant with the right to sue the defendant in the defendant's jurisdiction. Under the regulation, if the BBC broadcasts something defamatory of someone in Jeddah, to pick a place at random, that citizen from Saudi Arabia is entitled to bring an action within this jurisdiction even if he has no other connection with it. The regulation modifies, to some extent, the forum non conveniens common-law argument that the right hon. Member for Rotherham (Mr. MacShane) mentioned.

Dr. Harris: I accept what the hon. and learned Gentleman says, but my understanding of the Rome II proposal is that the legislation would be specific to where the damage was done. That might be important, because if the damage was done in a country other than the UK, it would mean that even if the UK courts were entitled to hear the case, they would have to do so in reference to the law of that land.

Mr. Garnier: That is right, but the problem that we face with Rome II—I do not want to get diverted down this line, but it is partly my fault for mentioning this subject—is that the media cannot agree on its application. If they could get their house in order internationally, perhaps we could make some progress.

As has been mentioned, Mr. Cook, I am a member of the defamation Bar, and I have earned my living and paid my mortgage thanks to claimants and media organisations, some of which are represented by right hon. and hon. Members in the Chamber. I have made no value judgments between the rights and attractiveness of my clients, be they defendants or claimants. I have simply given such advice as I was capable of giving. I have won and lost cases, and I have had satisfied and deeply dissatisfied clients in my 35 years at the Bar. I am also a recorder, so I presume that I shall be protected by "Erskine May" if people start hurling abuse at me.

This is too big a subject to deal with in eight minutes, but I want to draw out some threads of the right hon. Member for Rotherham's speech that were replicated by my hon. Friend the Member for Surrey Heath (Michael Gove) and the absent hon. Member for North Norfolk (Norman Lamb). The right hon. Gentleman might have assisted us by declaring that beyond being a member of the National Union of Journalists and a former officer of it, he was also a paid contributor to a number of newspapers. That fact is set out in the Register of Members' Interests, but it is appropriate that hon. Members present should not miss out on it.

The right hon. Gentleman drew out certain themes perfectly fairly, but some of his arguments were spoiled by a slightly waspish personal attack on individual solicitors firms and, by implication, on Mr. Justice Eady, whom, I am happy to say, the hon. Member for Oxford, West and Abingdon defended. He is a friend of mine—we used to share a room in chambers—and an extremely bright, careful and sensitive man. It is a pity, when he does no more than apply the law, that he is subjected to personal attacks in this Chamber and elsewhere. Judges cannot answer back, and I hope that when we discuss issues to do with the application and implementation of the law, we can leave aside personalities and deal with the relevant principles.

The principles that the right hon. Gentleman discussed, about libel tourism and the extension into statute of the Reynolds defence, are perfectly reasonable arguments to have. These decisions ought to be made by Parliament, because once the courts reach a certain stage, they cannot develop the law further, and it is up to us, in Parliament, to do that. If the United States Congress or the other US state legislatures that he mentioned wish to limit the ambit of their jurisdiction, or to extend it, that is up to them, but, as my hon. Friend the Member for Croydon, South (Richard Ottaway) said, a US law does not impinge on the jurisdiction of the English courts. If a judge issues an order that a book should be pulped, although I have never heard of such an order, it would apply only to the books that happened to be within that court's jurisdiction. I do not think that we are going to see British judges ordering the pulping of books in California or New York. I would certainly be surprised if that happened.

It is fair to point out that there has been a rash of foreigners coming to our country and making use of our libel laws regarding quite small publications—for example, if three, four, five or six issues of a foreign newspaper were published here. In order to do that, however, they had to demonstrate some connection with this jurisdiction, otherwise the common law would not have permitted them to do so. The decisions that permitted them to sue in this country in relation to small numbers of publications were always appealable, but in many cases they were not appealed. Indeed, Mr. Justice Eady's decision in the Ehrenfeld case that has been mentioned was a default judgment, which means that the defendant, Ehrenfeld, did not appear, through either lawyer or letter, to raise any objection to the jurisdictional point or any other. The damages that were awarded in that case were within the summary limits, and there was no fine.

I do not intend to repeat the libels in any of the cases that have been mentioned. Neither do I think it appropriate to defame firms of lawyers—I confess that I have been instructed by both of the firms who have been defamed this morning—who are doing no more than their trade, which is to advise clients on the law of England and to enable them to gain access to the courts.

Mr. MacShane: Will the hon. and learned Gentleman give way?

Mr. Garnier: Will the right hon. Gentleman excuse me, because I have got to—

Mr. MacShane: He has just accused me of defaming somebody. That is a serious accusation.

Frank Cook (in the Chair): Order.

Mr. MacShane: On a point of order, Mr. Cook. Is it in order for an hon. Member to accuse another right hon. Member of defamation?

Frank Cook (in the Chair): On that point of order, I heard no explicit accusation of defamation.

Mr. Garnier: If the right hon. Gentleman is upset about something, perhaps we could discuss it outside—then we can get on with the debate in here.

Some serious points have been made about internet libel. There have been calls from the judiciary and from practitioners for an international instrument to deal with it. If the current British Government or any future one, encouraged by Parliament, wished to enter any such international agreement, we could get on with negotiating it, but we should not complain when judges apply the law as it stands.

On the Reynolds defence, yes, it was an advance on what previously existed, but the House of Lords did not go as far as the New York jurisdiction and other US jurisdictions on public interest defences. If we want to do something about that, we should do so, rather than whingeing about it. We could do something in Parliament, perhaps by persuading the Government to introduce a law. It is strange that we have within our power, allegedly, the ability to influence Government, but that all we do instead is be rude—if I may use that expression—about lawyers who are applying the current law and about judges who are implementing it. If we are big enough and grown-up enough to praise, as we rightly do, the freedom of the press and the ability of journalists properly to investigate those who need investigation and to expose their inequities, we should also be big enough to admit that it is our fault if we do nothing.

Over the years, we have had any number of inquiries, Government and otherwise, into the state of privacy laws and the relationship between the citizen and the fourth estate, but we have done nothing about it, because we lack the bravery and the political will to influence the press through legislation. We should either do it and get on with it, or stop whingeing and allow the judges and lawyers to do the job that they are perfectly lawfully entitled to do.

I was prevented in 1995 from sitting on the Committee that scrutinised the Defamation Bill, later the Defamation Act 1996, on the basis that I would talk too much and because I knew too—well, too little, actually. That is what the deputy Chief Whip told me at the time. I have learned a lot in the past 35 years about human nature, the desire of newspapers to do their job and the harm that is inflicted on individuals when the newspapers sometimes get it wrong. There is a balance to be found, and it is up to us as parliamentarians to engineer such a balance.

10.50 am

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): Thank you, Mr. Cook, for your wise advice at the beginning of the debate. I might as well begin by declaring an interest: I am not a lawyer, I am not a journalist and I am not dealing with any libel procedure in the courts at the moment—thank heavens. I hope that during the course of today's debate, I do not end up in that position either.

First, I congratulate my right hon. Friend the Member for Rotherham (Mr. MacShane) on securing the debate and on jetting in from the United States to open it today. It is, as the hon. and learned Member for Harborough (Mr. Garnier) said, a very complicated, complex and important topic. Clearly, from this morning's contributions, it is one on which very strong views are held, and I shall very much take on board some of the ideas that people have put forward. However, I must emphasise that this Government firmly support the right to freedom of expression and its protections under article 10 of the European convention on human rights. Freedom of expression and a press that is free from state intervention are a fundamental part of our democracy and our way of life in the United Kingdom, so the hon. and learned Gentleman, who talked about getting the right balance, is absolutely correct: there is always the need to ensure that we have a balanced response.

We believe that we have demonstrated our commitment to freedom of expression by including specific provisions in section 12 of the Human Rights Act 1998, requiring the courts to have particular regard to the convention's right on freedom of expression when deciding any case brought under the Act which might affect that right. But, of course, article 10 rights are not absolute. The exercise of the right carries with it duties and responsibilities, and it may therefore be subject to restrictions provided by law—for example, the interests of public safety, the prevention of crime, or, the protection of the reputations or rights of others, which is particularly relevant to today's debate.

In that context, it is important that people have an effective right to redress through the civil law when their reputation has been damaged as a result of the publication of defamatory material. The determination of individual cases is a matter for the courts, and, in each case that arises, the courts must strike an appropriate balance between the competing interests of the parties based on the circumstances of the case. It is important to emphasise that point, because, during today's debate, there have been occasions when it may have been lost in the heat of the argument.

In the short time that I have, I shall respond to some of the issues that Members have raised. The hon. Member for North Norfolk (Norman Lamb) talked about investigative journalism and its importance, and, were he still here, I would tell him that, for example, my Department only yesterday announced plans to increase the media's right to report family proceedings cases. The Government are showing that they are committed to the openness and transparency that people want.

I regularly read with great pleasure in *The Times* the articles by the hon. Member for Surrey Heath (Michael Gove). They are well written and full of enjoyment, at least from my perspective when reading them, and I shall take on board his questions about the Reynolds

[Bridget Prentice]

defence. If, after consideration, there is a suitable piece of legislation and we feel that the defence needs to be put in statute, and I am not saying that we do, I shall certainly look at the issue again.

The civil law on defamation currently provides a range of defences. The hon. Member for Oxford, West and Abingdon (Dr. Harris) was concerned about whether there were sufficient defences, but there are a range of defences: justification, whereby the material is true; fair comment—whether the statements are matters of public interest; absolute privilege, which guarantees immunity from liability in situations such as parliamentary and court proceedings; and qualified privilege. In the case of secondary publishers, the defendant would not be liable where he or she is not the author, editor or publisher of the statement complained of; had taken reasonable care in relation to its publication; and did not know, and had no reason to believe, that what he or she did caused or contributed to the publication of a defamatory statement.

In addition, section 2 of the 1996 Act provides a procedure by which a defendant can make an offer of amends to enable a valid claim to be settled cheaply and quickly without the need for court proceedings. The hon. Member for—

Bob Spink: Castle Point—

Bridget Prentice: The hon. Member for Castle Point (Bob Spink) referred to that. I beg his pardon.

My right hon. Friend the Member for Rotherham expressed concern about several aspects of current law and procedure. He described "libel tourism", whereby someone with a tenuous connection to this country uses our courts to bring defamation proceedings. Let me explain in further detail—along the lines that the hon. and learned Member for Harborough took—how the jurisdiction of our courts works. If a court in this country is to hear a defamation case, it must have a ground of jurisdiction, and the rules on jurisdiction vary depending on whether the case is covered by European Community legislation. If it is, as the hon. and learned Gentleman said, the Brussels I regulation provides European-wide rules on jurisdiction in defamation matters. When Brussels I applies, particularly in cases whereby a defendant is domiciled in a member state, it will have precedence over national law, and English courts do not have a capacity to refuse jurisdiction or even to stay proceedings under Brussels I.

Two particular provisions of the regulation are relevant to the debate. The first is article 2, which lays down a general rule that persons domiciled in a member state may be sued in that state. The second relevant provision is article 5(3), which provides an additional rule of jurisdiction for torts, on which the claimant can rely in place of article 2. Article 5(3) allows claimants to sue in the courts of the place where the harmful event occurred, leaving to the laws of the member states the definition of what constitutes a harmful event. Under English law, the harmful event is publication, which is defined as the communication that constitutes the defamation.

I shall briefly turn to the question of the internet. We hope to publish a consultation as soon as possible.

Mr. Garnier: If the Government are proposing to look at the issue of conditional fee agreements, as I think they are, will the Minister ensure that any changes to them permit equality of arms? There are some very rich newspaper organisations that use their financial might to prevent impoverished people from getting to court, but equally, if CFAs are being abused, there needs to be that balance—that equality of arms.

Bridget Prentice: I take very seriously what the hon. and learned Gentleman says, and I agree. We will publish as soon as possible in the new year a consultation paper on defamation and the internet, and later, as part of the proposed consultation, we will also seek views on the abolition of criminal libel in respect of defamatory material. On the issue of conditional fee agreements, some important points have been made about opportunities for people with very little means, and we are therefore very keen to ensure that the current situation continues. We are also concerned about the disproportionate cost of defamation proceedings, we are considering whether additional measures might be necessary to control those costs, and we will consult on that shortly.

My right hon. Friend the Member for Rotherham mentioned the possible use of small claims procedures. We have had a look at that idea, and we think that, because defamation can be complex, the small claims court may not be the most appropriate place for such procedures, so I am not convinced that that is the right way forward. However, we will look at whether civil law reform might be necessary, although I must say that I am not yet convinced. If it is, however, we will certainly look at the issue.

Frank Cook (in the Chair): Order. We must respond to the constraints of time and move on. *[Interruption.]* Will Members please conduct their conversations outside the Chamber?

Palestinian Territories (Settlements)

11.1 am

Martin Linton (Battersea) (Lab): I am glad to have this opportunity to discuss the Israeli settlements in the occupied territories. The object of the debate is not to persuade the Minister that a freeze on settlement building is desirable, as I am sure that that is not necessary. He, and indeed the Foreign Secretary, have repeatedly expressed at the Dispatch Box the Government's view that all building must cease. Indeed, the Prime Minister said this week not only that settlement building must cease but that existing settlements must be dismantled. He said:

"We have consistently called for Israel to dismantle settlements. I spoke to the Knesset only a few months ago and made it absolutely clear that Israel should freeze settlements and withdraw from settlements…We have consistently said, and I have said to successive Israeli Prime Ministers and Presidents when I have met them, that we have consistently seen them

the settlements—

"as a barrier to reaching the agreement that everybody thinks is possible".

When I last asked the Foreign Secretary about a freeze on settlement building, he had just returned from a visit to the west bank and could be in no doubt that settlement building was still going on. He had seen the bulldozers and cranes only a few days before, building new houses at Ma'ale Adumim, on the road between Jerusalem and Jericho. He mentioned that a hopeful sign had been an announcement the previous weekend by the Israeli Prime Minister that the Government would stop the expansion of settlements. On closer examination of the small print, however, it emerged that the Prime Minister was promising only to stop expanding the boundaries of settlements and that building could continue within them. Since many settlements contain large areas already set aside for further development—Ma'ale Adumim, for instance, has the E1 area, on which it is intended to build 5,000 houses—the promise was pretty empty.

Since the Annapolis agreement, in which the Government of Israel accepted an obligation to

"freeze all settlement activity, including the 'natural growth' of existing settlements",

there has actually been an acceleration of house building in settlements in the west bank. Official figures released by the Israeli Ministry of Construction and Housing identify current construction projects in nine settlements in the west bank. They range from one of 106 dwellings in Ariel, which is a big Israeli settlement deep in the northern west bank, to one of 144 units at Alfei Menashe, which is a settlement near the Palestinian town of Qalqilya. Some 642 units are currently being constructed in two different settlements in Bethlehem, and 944 units at Ma'ale Adumim, which I have just mentioned. The Foreign Secretary saw the work going on there. Nearly 2,000 units are being built at Har Homa, a hill in Arab East Jerusalem overlooking Bethlehem. That is a total of 4,554 units.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): The hon. Gentleman has not yet mentioned our former Prime Minister, Mr. Blair, who is the head of the Quartet. When he came before us in the Select Committee on International Development, he gave us more of a two-sided appraisal of the issue. The hon. Gentleman has been rather critical of Israel so far, and I hope that he will make a few positive statements about the progress that the Israeli Government are making on this issue.

Martin Linton: With respect, the debate is solely about freezing building in settlements in the west bank, and I cannot stray from that subject. I am quite happy to make value judgments about it, but I have not made any yet. I merely point out that building continues apace, despite the promises in the Oslo accord and the Annapolis agreement that building would cease. Since Annapolis, far from a freeze or even a slow-down in settlement building, there has been a dramatic increase. Revealingly, that has been less in privately initiated construction projects than in Government-initiated projects, which are up 33 per cent. on the equivalent period before the conference.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): I congratulate my hon. Friend on securing the debate and on reflecting the concerns that many of us feel and that are raised by many of our constituents. Will not the continuation of the legal settlement building programme in the west bank make any just and equitable settlement between Israel and the Palestinians much less likely? In the long run, will that not be to the detriment of Israel's interests, as well as of the Palestinians affected?

Martin Linton: I thank my hon. Friend for that. There are many other subjects about Israel and Palestine to be discussed, including security and humanitarian questions. I am focusing on settlement building, and he is right. Continued settlement building, more than anything else, is putting an obstacle in the way of the peace process that we all want to proceed.

Building permits are up by a factor of three since Annapolis and tenders for settlement construction by a factor of 17. It is difficult to see that as anything other than a race against time to build new settlements before the international community finally wakes up and forces the settlements to stop.

Mr. Colin Breed (South-East Cornwall) (LD): Does the hon. Gentleman agree that much of the problem has been the continual vetoing of United Nations resolutions by the US? Many of them have been about settlements, the building of which is, of course, illegal. Every time a UN resolution comes to the international community, we find the US vetoing it.

Martin Linton: The hon. Gentleman thinks along the same lines as me, and I shall come to the UN resolutions when I have presented one or two more facts.

Many of the new settlements that are being built on the west bank are for evacuees from Gaza, so the notion that Israel was giving occupied land back to the Palestinians turns out to be an optical illusion. It gives back one piece of land and takes another. The removal of outposts is also something of an optical illusion. Most of them have not been touched, but the occupants of the ones that have been closed down have been moved to illegal settlements in East Jerusalem. It is just one piece of Palestinian land being swapped for another.

[Martin Linton]

Roadblocks on Palestinian roads are up by 12 per cent. since Annapolis, demolitions by 21 per cent., injuries to Palestinians in clashes with the Israeli army by some 26 per cent. and deaths by some 51 per cent. It is no surprise to me that the Palestinians feel angry, frustrated and above all cynical about peace initiatives, which should be the one beacon of hope to them. The United Nations human rights rapporteur said that the Palestinian population was

"being collectively punished by policies that amount to a crime against humanity."

To prove that they were not engaged in collective punishment, the Israeli authorities then devised an individual punishment for the rapporteur last week by locking him up at Ben-Gurion airport and refusing him a visa.

As I said, I do not need to convince the Minister that settlement building should be stopped. It is what he regularly says to the Israeli ambassador, and what he or his colleagues said to the Israeli Prime Minister last week and the Israeli President, who visited last month. It is what they have been saying to every representative of the Israeli Government for many years, and it is what people in this country say to me whenever I discuss the issue with them.

I have been collecting signatures in Battersea, Balham and Wandsworth in my constituency—a one-constituency petition—solely calling for an end to settlement building in the west bank. Hundreds of people have already signed it, and I hope that the same thing will be done in other constituencies. This issue strikes the great majority of people in this country as unjust. I am also in the process of helping to launch a new organisation next month called Labour Friends of Palestine, the main campaign of which will be to call for a halt to the expansion of settlements.

The trouble is that the issue is hardly ever discussed in the Israeli press. We huff and we puff, but the Israelis just keep on building. That brings me to the point raised by the hon. Member for South-East Cornwall (Mr. Breed). If we want the Israelis to stop, we will have to find more effective methods of persuasion. The United Nations has passed 429 resolutions against Israel, and the Security Council has passed 88 resolutions condemning, censuring or deploring Israel's actions. Another 42 Security Council resolutions have been stopped only by the veto of the United States. We must remember that nearly every one of those resolutions was passed under chapter VI of the UN charter that deals with the pacific settlement of disputes, which places duties on both sides in a dispute but has no enforcement mechanism. Many international lawyers regard chapter VI resolutions as outside the scope of international law. They are, in effect, voluntary resolutions.

The only UN resolutions that unequivocally have the force of international law and can be enforced by sanctions or military action are chapter VII resolutions. It was under chapter VII that Iraq was required to disarm after the Gulf war, and it was under chapter VII that the US invoked war against Iraq. Small wonder that Dore Gold, the former Israeli ambassador to the United Nations, said:

"For its entire diplomatic history, Israel has sought to avoid a Chapter 7 resolution dealing with Arab-Israeli disputes."

There is one exception: resolution 338, which was passed at the end of the Lebanese civil war under chapter VII, and which in turn binds the parties to implement resolution 242, which was passed under chapter VI but is now enforced under chapter VII. One of its provisions is for the withdrawal of Israeli armed forces from territories occupied in the recent conflict, and, as it was passed in 1967, it clearly refers to the west bank and East Jerusalem.

Now that the Palestinian Authority recognises the territorial integrity of Israel, which is the most important development in recent years and one that I fully support, there is clearly a legal obligation on the Israeli Government to withdraw forces from the west bank and East Jerusalem. I would love to live in a fantasy world where we would just politely ask the Israelis to hand the west bank back to the Palestinians in accordance with the UN resolution, but we have been doing that for years and nothing has happened—actually, something has happened: things have got worse, and because the evacuation of Gaza did not lead to an immediate outbreak of peace, some Israelis have persuaded themselves that giving up the west bank would lead to more violence, not less. I quote Dore Gold again:

"Prevailing wisdom says if Israel gives land back the terrorists will stop. But just the opposite is the case... Terrorism is not based on political grievance. Jihadi terrorism comes from a sense of victory. A withdrawal from Jerusalem would empower radical Islam."

Such tortured logic would suggest that the solution to the Palestinians' grievances is to take more land from them, but that is precisely the attitude that plays into the hands of the terrorists, and precisely the attitude that helped to create the jihadis in the first place. Dore Gold was the political adviser to Binyamin Netanyahu and later to Ariel Sharon, and he may be at the heart of Israeli policy making in two months' time, after elections in Israel.

The sad truth that I come to is that the Israelis show no signs of actually wanting negotiations to succeed. One Israeli official quoted in *The Guardian* this morning said:

"Negotiations are good, results are bad."

It is impossible to conduct negotiations with a party that does not have an interest in their success. All Israeli politicians pay lip service to the peace process, but the fact that Israel continues to expand the settlements makes it difficult to believe that they are entirely sincere. How can they expect Palestinians to negotiate when they are taking over more Palestinian land every day? It is not within human nature to enter into negotiations in such circumstances.

It is entirely up to Israelis, of course, to pick their own Government—I would not dream of interfering—but if we believe that the continued expansion of settlements undermines the chances of peace in Israel, in the middle east and in the wider world, we have a responsibility to take action through the international community.

Such action could be through the 23-state solution that the Foreign Secretary spoke about recently—it is important to involve as many countries as possible—or through a chapter VII resolution in the Security Council. But the fact is that the Israelis show no signs of wanting to do it if left to themselves, and the Palestinians cannot do it by themselves. If the rest of the world wants peace, we will have to go out there and get it. First, we will

have to persuade the Americans, but with President Obama there may be a chance that the international community will finally show leadership in bringing about a settlement between Israel and Palestine.

11.16 am

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): It is a pleasure to take part in this important debate. I congratulate my hon. Friend the Member for Battersea (Martin Linton) on securing it, and I welcome him to the role that he has taken on, as chairman of Labour Friends of Palestine.

The middle east peace process continues to be one of the highest priorities for this Government, and I know that that priority is shared widely across the House of Commons. We are committed to a comprehensive peace in the middle east and are working constructively with all the parties to offer all possible support to the Annapolis process. Over the past year, the UK has been encouraged by the renewed dialogue between Israeli and Palestinian leaders, by indirect talks between Israel and Syria and by the plans for mutual diplomatic recognition between Syria and Lebanon.

We also very much welcomed the renewed focus on the Arab peace initiative, which offers Israel full normalisation of relations with its Arab neighbours in exchange for withdrawal from occupied land. We are determined to do everything that we possibly can to support the peace process. I say that because we were at the forefront of those arguing last week that the European Council should throw its weight behind the Arab League letter to President-elect Obama. We will continue to encourage the Arab League to demonstrate its willingness to engage with Israel. Indeed, we encouraged members of the Arab League to recommit themselves widely and publicly to the Arab peace initiative, which gives us a real opportunity to move forward.

However, we are also clear that Israel, too, must show its commitment to a two-state solution. The energy that it has devoted to Annapolis is a powerful signal, but, unfortunately, the signal that is seen more clearly around the world is, as my hon. Friend said, increased settlement construction, which undermines the viability of a Palestinian state on 1967 borders and leads Palestinians and the Arab world to doubt Israel's real intentions.

As my hon. Friend acknowledged, our message has been consistent and robust: Israeli settlement activity anywhere in East Jerusalem, and on the west bank is illegal under international law. The road map is clear that Israel should freeze all settlement activity, including the natural growth of existing settlements, and dismantle all outposts erected since March 2001. My right hon. Friend the Foreign Secretary reiterated the UK's position to Israeli Ministers during his visit to the region in November, and I have acted similarly. We certainly welcome recent attempts by the Israeli security forces to dismantle outposts in parts of Hebron and the west bank, including the successful evacuation of the disputed house in Hebron on 4 December, which, as we should acknowledge, is a step in the right direction. But we should also acknowledge that there is much more to do.

I want the House to be clear that we are not bashing Israel to play to the crowd. We are seeking, rather, to advance the peace process and we genuinely see settlement expansion as a critical factor holding that progress back. Unlike other obstacles in the way of peace, settlement expansion is not a grey area: its continuation is in direct contravention of the spirit and the letter of the road map and the Annapolis commitments.

I am proud of the efforts that we have made, as a Government, to make it clear that we need to work with all sides. I made that clear, previously, when I was at the Department for Education and Skills, in opposing an academic boycott of Israel.

Martin Linton: Does my hon. Friend agree that it is possible to support Israel where its security is threatened and admire its policies over a wide field, yet disagree profoundly with it on this specific issue of settlement building?

Bill Rammell: I share that feeling. Genuine friends of Israel ought to have the ability and the space to make that argument clearly.

I was mentioning the stance that I took as Minister of State with responsibility for higher education—and the stance that we took as a Government—in opposing academic boycotts of Israel. I have always taken the view that in both Israel and the occupied territories there are both progressives and reactionaries. The problem with boycotts is that they make the job of the progressives more difficult and they reinforce the position of the reactionaries. That is one reason why they are fundamentally wrong.

Mr. Breed: I thank the Minister for those robust, clear statements, but does he not agree that the supreme irony is that, when we had the opportunity of Palestinians working in a Government of some unity, that was undermined by the international community through its rather heavy criticism and demonising of Hamas and over-crediting Fatah, and now, when Israel wants some genuine opportunities, we have a fractured Palestinian state?

Bill Rammell: The path and the way forward for Hamas is clear: it needs to commit to non-violence, to a recognition of the right of the state of Israel to exist and to uptake on previous commitments. If it does that, we are willing to engage with it, but until it does that there is a fundamental stumbling block.

The recent visit of President Peres has showcased our strong bilateral relationship with Israel in its historic 60th year. But settlements are not Israel. So we are working on what effective action we can take actively to discourage settlement expansion, part of which is making sure that the mechanisms we already have in place work. One such mechanism is the EU-Israel association agreement, which does not entitle settlements to the preferential tariffs that we give to Israeli goods. We have heard worrying reports that settlement goods are benefiting, so we are investigating. Some British consumers have told us that they want to know whether they are buying goods from settlements and I believe that we have an obligation to ensure clear labelling.

Building effective Palestinian institutions is fundamentally critical. Although settlements are important, they are not the only issue. We also have to tackle the other impediments to peace. Building effective Palestinian institutions and a vibrant Palestinian economy is critical,

[Bill Rammell]

both to deliver for Palestinians and to reassure Israel that a Palestinian state would be a stable and peaceful neighbour.

When I met Prime Minister Fayyad earlier this week, I congratulated him on his achievements in reforming the Palestinian Authority, enhancing the effectiveness of its security forces and developing its economy. We are, rightly, providing him with strong support. The United Kingdom Government have committed £243 million in support over three years, linked to political progress—a substantial increase in the Government's assistance that is absolutely justified. In December last year, the international community pledged a total of $7.7 billion at the Paris donor conference in support of the Palestinians. That was a move in the right direction. The conference that we have hosted here in London this week with the business community, to support economic development in the Palestinian territories, is another step in the right direction.

Of course, Israel's security measures make the process of economic development more difficult, but that only makes these efforts more necessary. In some areas, notably around Jenin, there are real signs that a positive dynamic can be created where more effective Palestinian security combines with economic investment to give the Israeli security forces some confidence to step back a little, which in turn reinforces political and economic progress. These are the sorts of virtuous circles that we are seeking to create and support. We will certainly continue to do that.

We are painfully aware that the dynamic in Gaza is very different. Israel sees an increasing threat, with rockets fired at its civilians. It sees no partner with which to deal and so no alternative to increasing restrictions. These restrictions and Hamas control mean that the benefits of economic growth and reforming institutions are denied to the population of Gaza. More than that, ordinary Gazans are suffering serious hardship as even relief supplies are restricted because of Israel's disproportionate and inappropriate response to that security threat. Today, more than 80 per cent. of Palestinians in Gaza are dependent on humanitarian assistance, compared with 63 per cent. in 2006. In less than 10 years, the number of families depending on United Nations food aid has increased tenfold. All of us should be concerned about that.

In exerting continued control over Gaza's borders, airspace and territorial waters, Israel retains the obligation to co-operate in the passage and distribution of relief supplies. We are pressing Israel to allow more supplies in and support the UN in purchasing supplies. Over the last six months, the ceasefire has brought relative calm for the people of Gaza and southern Israel. I believe strongly that it is in both sides' interests to recommit to that ceasefire as it comes to its conclusion. But if we are to go beyond alleviating the immediate situation to make Gaza an integral part of peacemaking efforts, Hamas has to engage with President Abbas in the national dialogue negotiations and it must move towards non-violence and the Quartet principles, as I argued earlier. Through its behaviour—firing rockets at Israel, replacing teachers who do not kowtow, attacking rival political parties, smuggling arms, holding Gilad Shalit in captivity, and more—Hamas shows it is not a partner in peace or a constructive force in building a Palestinian state.

Let me deal directly with the comments that my hon. Friend has made about the claimed need for a chapter VII resolution at the UN Security Council. The problem with that—my hon. Friend and I discussed this in the main Chamber a few weeks ago during Foreign Office questions—is that a resolution under chapter VII of the UN charter implies that all movement is necessary on one side: in this case, from Israel. However, I believe strongly that we need to see co-operation from all parties, including Israel freezing all settlement activity and easing restrictions on life in Gaza and Hamas engaging with President Abbas in the national dialogue negotiations and moving towards non-violence and the Quartet principles. There will not be progress without movement and compromise on both sides. I do not think that a chapter VII resolution recognises that. There are chapter VI resolutions calling for actions from and responsibilities on both parties and that is the way forward.

I will be visiting Israel and the occupied Palestinian territories next week and I will seek to develop my first-hand experience of the challenges faced by Israelis and by the Palestinians. The message I will take with me is that we are determined to redouble our efforts to drive the peace process forward in 2009 and to look to all those, in the region and beyond, to join us. I genuinely believe that this is a crucially important issue to people in Israel and the occupied territories and, frankly, it is crucial to people across the world.

We have an opportunity, with the election of Barack Obama in the United States; he comes in with greater expectations placed on him than any democratically elected politician that I can recall in recent decades. We have to ensure that he has an opportunity to use the power and influence of the United States. We will be working alongside him, as an individual nation and through the European Union, to put pressure on all sides to make the necessary compromises to achieve that lasting peace in the middle east, which is long overdue.

I congratulate my hon. Friend once again on securing this debate. Let us hope that, as we move into 2009, we can begin genuinely to take the peace process forward.

11.29 am

Sitting suspended.

Motor Industry

2.30 pm

Sandra Gidley (Romsey) (LD): I am delighted to have the opportunity to debate this subject. Since applying for the debate, the matter seems to have risen up the political temperature gauge. I was moved to apply for it after intervening on the Chancellor during the three-hour debate on the pre-Budget report, when I asked about support for the British motor industry, and whether we would emulate Europe. His response was that Europe was important, and he then started talking about Scottish whisky. I know that Scottish whisky is important to the Chancellor, but cars cannot run on whisky—*[Interruption.]* Perhaps they can, but that would be rather a waste. At the time, the subject did not seem to be prominent on the Government's radar. It may have been on the radar of the Department for Business, Enterprise and Regulatory Reform, but it certainly does not seem to have been on the Treasury's radar.

As so often, my initial interest arose because of a constituency concern. Many people think that Romsey is leafy Hampshire, but my constituency includes part of Southampton, which is home to the Ford transit, and proud to be so—or was. The factory is at the edge of my constituency, and a number of my constituents work there. It is fair to say that there were a few problems there and concerns about the future before the credit crunch began to hit home.

I was expecting some local Members to be here, and I had not intended to talk at length about Southampton, but Ford is facing specific problems. A planned redesign of the transit involved a potential refitting of the factory when the company's plant in Kocaeli in Turkey was producing vans at lower cost. That naturally caused the company to rethink what work could be most profitably completed in Southampton. The plans are supposedly not finalised, but all the signs suggest that Southampton will produce only the chassis base, which will mean fewer local jobs for local people. That was going on before the downturn in sales that led to temporary contracts being ended and an increase in the number of down days at the factory.

Today, I want to speak in a more general context. It has become apparent in recent weeks that the problem is not just a little local difficulty. If we continue to sleepwalk towards disaster, vehicle manufacture will be declared the United Kingdom's latest economic catastrophe. As someone with serious concerns about the decline in Britain's manufacturing base generally, I suggest that it is important to retain what is left. So how bad is it?

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The hon. Lady is right in her outline of the problems and the knock-on effects. A company in my constituency is a supply line manufacturer to the car industry, and the problem is not just what happens in Southampton, but what happens down the supply chain. It is a problem for many of us.

Sandra Gidley: I thank the hon. Lady for that intervention, and I shall return to that point. Most people think just about cars rolling off the production line, and not about everything behind that, or the consequences.

The figures speak for themselves. In November, new car registrations fell by 36.8 per cent., which is the steepest decline in almost 30 years. In October, car production fell by just over 25 per cent. In times of recession, the commercial vehicle market is always hit first and hardest. The downturn in the commercial vehicle market in November was 41.8 per cent. That is having an impact on manufacturers. At the beginning of December, having given notice to all temporary staff and announced an extended Christmas break, Ford announced an extra 17 down days at Southampton in the first quarter of next year. That will have a significant impact on workers' take-home pay.

The picture is mirrored elsewhere, with a four-week break at Vauxhall's Ellesmere Port factory, and the offer of a nine-month sabbatical on 30 per cent. pay, although it does not expect many people to take up that offer. Two thousand jobs have been lost at Jaguar, and 600 at Aston Martin. The Japanese car manufacturer, Honda, is halting production at its Swindon plant for two months next year. BMW has announced plans to close its Oxford factory, which produces the Mini, for four weeks to reduce output, and Nissan has extended its production cuts. Only yesterday, Toyota told its workers that its factory will shut for a fortnight in the new year. It is difficult to find any good news, but I tried because it is Christmas.

David Taylor (North-West Leicestershire) (Lab/Co-op): The most recent scale-down by Nissan in Sunderland is having a serious impact on car components firms, and I raised that at column 665 of *Hansard* last Thursday. Their cash position is often critical, and no immediate support is being made available centrally or locally. Is the hon. Lady aware that the automotive sector is routinely red-flagged by financial institutions and providers? Businesses are being compressed to very low cash reserves, and are in an untenable position. Many are literally on the brink.

Sandra Gidley: The hon. Gentleman's intervention is timely, because I was about to say that we are seeing the tip of the iceberg. Components manufacturers are also being badly affected. In *The Observer* last Sunday, Tony Woodley of Unite said:

> "The suppliers of components are a week away from throwing tens of thousands on the dole because they don't see a plan…There's no guidance. They don't know if grant aid is being targeted. There's not one single component company that right now isn't looking to jettison labour.
>
> This is a wake-up call. It's an emergency. Within a month, if"
>
> the Government
>
> "doesn't do anything, between 25,000 and 40,000"
>
> jobs
>
> "will be jettisoned from car retailers and suppliers."

Similarly, the *Financial Times* claimed on 11 December that more than 1,000 franchise dealerships were threatened with closure. People who sell cars are also having problems.

According to figures released by the Society of Motor Manufacturers and Traders Ltd, the industry currently supports 850,000 jobs. No one working in that industry feels very secure at the moment. So far, the Government have offered only limited support to the car industry, and that merely reiterates the existing channels of lending for businesses. There seems to have been no specialist attention to the problem.

[Sandra Gidley]

The pre-Budget report measures have not been welcomed in the industry. Car sellers have had to re-price all cars at their own expense, with little return, and will have to repeat the exercise next year when VAT returns to its previous level. Let us compare that with what is happening elsewhere in Europe. As part of the European economic recovery plan agreed at the end of last week, the European Commission has given a commitment to provide €5 billion to the bloc's car industry through the European Investment Bank. As part of the deal, state aid rules have been relaxed so that national bail-out schemes can proceed. That has enabled the French Government to provide credit guarantees to the financing arms of its car makers with a €779 million payment split between Renault and Peugeot. The body set up to underpin new bank debts will hand over a further €221 million to the two car makers before the end of January. President Sarkozy has shown an active interest in the problem and has met manufacturers. No similar high-level interest is being shown in this country.

Last month, the Spanish announced a package of €800 million to the automotive sector as part of a larger two-year stimulus package. In Sweden, an announcement last week promised the equivalent of just over £2 billion in credit guarantees and emergency loans to its ailing car industry, much of which is directed towards the manufacture of more emission-friendly vehicles. In Germany, all new cars are exempt from annual circulation tax for one year until 30 June 2009, and the Government are considering giving General Motors' Opel a €1 billion credit guarantee to ensure cash flow. Even the Romanian Government have announced a one-year exemption from pollution tax to stimulate demand. Portugal has committed €70 million of Government support to financing workers during downtime.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): The hon. Lady is making a very thoughtful speech. She was present at the last DBERR oral questions when the Minister, who is now in his place, was asked about European Investment Bank funds and why some of the European countries that she mentions have got funds flowing into their automotive industries. His reply was that Britain does not have a history of drawing down on those funds. In other words, the Government are fiddling: they are not getting the funds into the automotive industry. Should they not get moving and get those funds from Europe into the industry as soon as possible?

Sandra Gidley: It is surprising that when there is help to be had from Europe, the Government sometimes do not use all the resources at their disposal, because that could help people to feel more favourably towards an institution that is much maligned.

John Hemming (Birmingham, Yardley) (LD): I congratulate my hon. Friend on securing the debate. I shall put two points to her. First, money is found to fund the activities of the banks to guarantee credit, but not for the manufacturing sector. Secondly, and similarly, under the Banking Bill, which has just gone through the House, a form of chapter 11 protection from bankruptcy, which avoids the fire sale of an administration, is now being made available for banks, but the likelihood is that chapter 11 is not being considered for a sector that would find it very difficult to come out of administration once in it. Does my hon. Friend think that it is worth examining the lessons that perhaps could be learned from America on that?

Sandra Gidley: That is certainly worth considering. I hope that when the Minister sums up the debate, he will make a commitment to assessing how many businesses that go into administration do not come out the other end and whether we can learn lessons from the system used in America. That may be very useful at this time.

Ms Gisela Stuart: Will the hon. Lady also draw attention to the fact that there are some dangers with national rescues? As I understand it, the French support package is based on an undertaking by the car industry not to take any operations abroad. That could have long-term knock-on effects on some of the people who are currently working in the UK. If we become protectionist, we are just beggaring our neighbour.

Sandra Gidley: Yes, but we can flip that round and say this: if every other country is protecting its car industry, where does it leave ours at a time of global downturn if the Government do not provide any back-up?

Chris Huhne (Eastleigh) (LD): An important answer to the point made by the hon. Member for Birmingham, Edgbaston (Ms Stuart) about state aid is that the car industry currently faces a serious problem with the extension of credit to potential purchasers. One does not get a dramatic decline in demand of 37 per cent. over the year—that figure applies to vehicle registrations in this country—without the credit system for purchasers seizing up, which is a different point from an ongoing subsidy with the sort of strings attached that she mentions. I hope that the Minister will take that on board, because the car industry faces exactly the same type of problems in that respect as the financial industry and deserves support to ensure that credit is there.

Sandra Gidley: I was about to move on to that, because although I was highlighting what has been done in other European countries and in some non-European countries, a consensus seems to be emerging about what might help the British car industry. Despite the downturn in sales, the market research completed by some of the companies involved—we were told this by Ford when we met—shows that people want to buy vehicles, but the credit lines have dried up and they just cannot get the loans that were once available to do so.

John Hemming: Does my hon. Friend agree that the drive from central Government to maximise the tier 1 ratios is itself drying up credit? We should bear it in mind that a car loan is more like an unsecured loan than a secured loan. The Government should be considering carefully how their actions are influencing the motor business.

Sandra Gidley: I hope for some reassurance later that the Government have been paying attention to that problem and how their actions are affecting the motor business, because there has been precious little evidence so far. We hear a lot about talks taking place, but as yet we have seen no action.

Let me return to the emerging consensus. The SMMT is asking that the manufacturers' finance companies gain short-term access to the Bank of England's special liquidity schemes, loan guarantees or direct loans. They need quick access to credit in a way that is simple, flexible and transparent and that overcomes barriers to securing loans for struggling companies across the supply chain. This crisis comes at a time when companies are researching new technology that has a greater focus on low-carbon technology. Investment is threatened but has never been more necessary, and any available funding should be directed towards that aspect of the industry.

The SMMT is also calling on the Government to increase capital allowances for fleet buyers, particularly of commercial vehicles, and to remove expensive-car restrictions under capital allowances. That will help the demand for UK higher-end manufacturers and stimulate demand for newer and greener vehicles.

Paul Everitt, the SMMT's chief executive, has indicated that if its request for liquidity aid is successful, it will press for further measures in the new year, such as French-style aid for scrapping old cars and training incentives to keep on vital staff in readiness for any upturn in the market. I am not convinced that we need to go that far today, but it is worth bearing in mind. It has been notable during the current crisis that motor manufacturers are bending over backwards to try to keep their retained staff for as long as possible, but there seems to be a limit to how long that situation can be sustained.

A number of people have asked me why this industry is so important and whether it is right to give it special treatment. First, it is worth stating that the industry is in very good shape. It faces a once-in-a-lifetime global collapse in sales. Usually, there is some part of the world where demand is high and the whole of the car industry is not hit badly at the same time. Secondly, nearly every other country has stood squarely behind its domestic plants. Given that there is probably some excess capacity in the system, if the Government fail to help British jobs, the British motor manufacturing plants become particularly vulnerable when the motor industry is examined on a global scale.

Today, we had an update on the number of people out of work. There are 1.86 million, which is a nine-year high, but all the signs are that it is set to rise yet further. Given the large number of jobs dependent on the motor industry, the Government today have a chance to demonstrate that they are willing to provide the short-term assistance necessary to keep the wheels turning and protect as many jobs as possible.

Several hon. Members *rose—*

Frank Cook (in the Chair): Order. Hon. Members will be alert to the fact that we must start the first of the three winding-up speeches at 3.30 pm. Five hon. Members have informed me that they wish to speak. I hope that those five and any other hon. Member who seeks to intervene will bear the time constraints in mind when they make their contribution and when they accept and respond to interventions.

2.48 pm

Mr. Jim Cunningham (Coventry, South) (Lab): I congratulate the hon. Member for Romsey (Sandra Gidley) on securing the debate. It is a vital debate nationally, but it is equally important for the west midlands, because as everybody knows, or should know, the west midlands produces about 10 per cent. of the wealth of this country through its manufacturing base. It is vital that we retain that base.

If we consider Coventry in particular, we see that since the 1980s some household names in terms of car manufacture and suppliers have gone out of business. That gives us an idea of the seriousness of the situation. Companies such as Massey Ferguson have left Coventry, which has had a knock-on effect on the west midlands as a whole. Recently—I think it was last year—there was a closure involving Peugeot. In my view, that was badly handled. Two or three years ago, it was the turn of Jaguar's Browns Lane site. Some hon. Members may remember the demonstrations that took place in Paris outside the showrooms. I am sure that the representatives of Jaguar—it was Ford then—remember that. The problem related to a reduction in Coventry, where we probably have only Whitley left, which is a research and development facility. That is vital for new models for the future. It is equally important because it retains certain levels of skills in the west midlands.

The problem with the auto industry has been around for a long time, but the current crisis has accentuated it in a number of ways. Going back about two years, hon. Members will remember that Ford in America paid off about 80,000 employees. Ford had a major problem at the time, and it closed many of its subsidiaries around the world. It is well known in the trade that there is probably one motor car manufacturer too many, but that may be debatable.

Recently, within the last 18 months, Jaguar was taken over by Tata. We read in today's newspapers that Tata is selling some of its assets in India because sales are down by something like 20 per cent. That is an indication that somewhere along the line we need to support the motor car industry. For every direct employee, the industry probably employs two or three indirectly, including those employed by small suppliers in the various trades that help to make a motor car. The hon. Lady has initiated an important debate.

In the west midlands in about 2000, we saw the first stage of what I would call the Rover crisis. Some will remember that the Select Committee on Trade and Industry visited the west midlands and took evidence not only from the Secretary of State but from employees and potential buyers. A rescue package and a taskforce were set up to deal with that situation, but we all know that Rover collapsed about three years ago. The rest is history.

In my view, there has been a gradual erosion of the manufacturing base in the west midlands. In Coventry some 100 years ago, 129 companies were involved in the motor car trade. That shows how much the industry has shrunk. Only Whitley is left in the Coventry area, and it does not produce motor cars; it is, as I said, an R and D establishment. We have had the same situation with Rolls-Royce: 15 years ago, it closed its Parkside facility and moved some of its staff to Anstey, but there were also redundancies.

We must bear it in mind that in the west midlands, manufacturing is still vital both nationally and internationally. People may have different ideas about manufacturing, but we must remember that many of our universities, including Coventry university and to a

[Mr. Jim Cunningham]

certain extent the university of Warwick, rely on manufacturing—and particularly so for design, development and research. Manufacturing, as much as anything, is vital to our universities. Some think that universities are not really involved in technology and only involved in academic matters, but manufacturing trade sustains universities throughout the country. Indeed, we have some very good universities in the west midlands, but I do not want to list them today because time is precious.

We must remember also that the car trade in our country is worth about £50 billion in export values. We should remember that we sell cars abroad. That trade makes a major contribution to our economy.

Mr. Andrew Smith (Oxford, East) (Lab): Does my hon. Friend agree that there are enormous areas of strength in the UK car industry, of which the Mini plant in Oxford is a good example? The first way to help the industry through the crisis is to give help with short-term credit facilities, which is one aspect of the financial crisis. The second is to help motor manufacturers sustain the good progress that they are already making towards producing more environmentally friendly vehicles.

Mr. Cunningham: My right hon. Friend is right. We have to make a special case for manufacturing in general, but for motor cars in particular, because we are famous throughout the world for producing them.

The Government must reconsider credit facilities, and any assistance that they can give should be made available without us having to make it a party-political debate. The matter should be above party politics. It is a serious situation. If we can bail out the banks, we should start bailing out the motor car trade, at least in the short term. It is equally important to remember that dealers will feel the brunt of the crisis. At the end of the day, they have to sell the motor cars.

All in all, something has to be done by the Government. The situation is urgent. If nothing is done, we could lose more than 100,000 jobs—even as many as 200,000.

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): Does my hon. Friend share my fear that what is happening to the motor industry mirrors what has happened to the pottery industry in north Staffordshire? As he said about the motor trade a moment ago, where there were hundreds of firms, we now have a small, almost non-existent, handful of companies producing pottery and ceramic ware in north Staffordshire. Indeed, Wedgwood has a big threat hanging over it at the moment. Firms in north Staffordshire moved on to supplying the car chains, and they are now under threat again. Does he share my concern that we may see the beginning of the end if we are not careful?

Mr. Cunningham: I share my hon. Friend's concern, and I take his point about the pottery trade. Britain was renowned for its pottery. We tend to forget it, but people should take a good look at what has happened to Stoke-on-Trent. The real danger is that we get into the same situation as the mining industry. The pits were devastated—we could debate that subject till the cows come home—but we need to learn lessons from that in order to help motor car manufacturers. Equally, we should remember that Coventry experienced all that when 10,000 jobs a week were being lost there. Can anyone imagine the effect that such losses could have regionally and nationally—and even internationally, because it has international ramifications?

I strongly urge the Government to do something. I have been speaking to my hon. Friend the Member for Birmingham, Northfield (Richard Burden), and we would like the Minister—or, more importantly, the Chancellor—to meet a small delegation to discuss the situation.

2.56 pm

Richard Burden (Birmingham, Northfield) (Lab): I congratulate the hon. Member for Romsey (Sandra Gidley) on securing the debate. The number of right hon. and hon. Members here today shows the strategic significance of the motor industry to the United Kingdom.

Some statistics have already been alluded to. We are talking about an industry with a turnover of £51 billion and 840,000 jobs, with 180,000 at the manufacturing end and a retail sector supporting thousands more. In the west midlands, turnover is about £13 billion. That includes not only the major manufacturers in the west midlands—Jaguar and Land Rover—but the Fords, the Vauxhalls, the Toyotas, the Nissans, the Hondas, and the BMWs.

Behind those big manufacturers are a range of performance engineering and motor sport industries. There are also niche manufacturers; Aston Martin springs to mind, as do Lotus and Morgan. Britain is home to most Formula 1 teams; it is world-class in motor sport. Behind those is an entire performance engineering industry, with specialist firms such as Prodrive, Mira and Ricardo. We then have the components industry—the supply chain. The big names in the first tier include GKN, Delphi and TRW, and behind them there are second, third and fourth-tier suppliers.

When people talk about the crisis facing the United States motor industry, it is often said that the industry did not keep up with the times—that it did not invest in new products and did not look to the future. That accusation cannot be levelled at the UK automotive industry. If the lead times, technology requirements and the research and development requirements of the UK's automotive industry are akin to other high-tech industries such as aerospace, its vulnerability to sudden downturns in the market and consumer demand will be that much more acute.

We heard that new car registrations were down by 36.8 per cent. in November. We are in real danger of spiralling problems. If major manufacturers go on downtime for a week or two, or even two months—understandably, given the crisis that they face—it will be a rational business response, but what will it mean for component suppliers that have been told for more than a decade that they must be involved in lean production? They are being told to keep their stocks down and work with just-in-time delivery. Their survival could be at stake.

However, it can also work the other way around. If a component manufacturer goes into administration—we recently saw this in the west midlands with Wagon—it can in turn, by not producing, create major problems for big manufacturers. I have the same fear as my hon. Friend the Member for Coventry, South (Mr. Cunningham), that if we start to lose the critical mass of our automotive

industry in the UK, it will not come back; it will not be there to come back when the upturn arrives. I have seen in my own constituency—I am thinking of MG Rover—what it can mean for a local community when a firm goes down. However, through the taskforces, the recovery plan and so on, we responded to that crisis and ensured that it was not as bad as it otherwise could have been—although God knows it was bad enough! When the problem is industry-wide, however, and extends further than just one firm, it is all the more acute.

What responses do we need to consider? I agreed with a lot in the hon. Lady's speech, but she was a little uncharitable in her references to the Government. She described how President Sarkozy met manufacturers and said that nothing equivalent had happened in Britain, but Lord Mandelson met the majority of major manufacturers—*[Interruption.]* He is not a President, as far as we know, but that dialogue did go on. My hon. Friend the Minister, who admittedly is not a President either, has also been in regular meetings with major manufacturers, and when those meetings are not taking place, his mobile is usually going off.

As far as the components industry is concerned, in the past week or so, a letter went out to major manufacturers and suppliers about the range of support either available now or in the process of negotiation.

David Taylor: My hon. Friend is an acknowledged parliamentary expert on this subject. He was in the Chamber last week for Business, Enterprise and Regulatory Reform questions. The Minister, who is a man of great intellect, energy and commitment in relation to parts suppliers, said:

"I have written to automotive suppliers, through the lead manufacturers, outlining a range and package of measures that are on the table and available now or will be available very shortly."—[*Official Report*, 11 December 2008; Vol. 485, c. 665.]

Sadly, four days later, in an e-mail to me, a significant parts supplier in my constituency said:

"No information regarding what support is available, or is likely to be available shortly, has ever been circulated to us, either from the Lead Manufacturers or any other source. Might I ask that you brief us on what those support mechanisms may be?"

I turn that question to the Minister, and hope that he can respond today or at a later time.

Richard Burden: If communication has broken down, it is regrettable. However, if hon. Members will forgive me, I shall not go on to Royal Mail. [Hon. Members: "Or TNT."] Indeed.

Good things are happening, but more needs to be done, and quickly. Hon. Members have mentioned the need to inject liquidity into the system and to get credit moving. The SMMT and the Finance and Leasing Association have given some pointers on how that could happen, and extending the Bank of England's special liquidities scheme and the credit guarantee scheme is part of that. We should seriously consider those suggestions as well as scrappage schemes, as is happening in France. Issues around those schemes remain to be addressed, but we must ensure that they are not structured in such a way as simply to suck in imports. There are ways and means of ensuring that that is the case.

Chris Huhne: The key point about credit needs to be stressed. If purchasers do not have any money, everything else will fail. It is important that the Government take on board that point more than any other. Everything else is just a sticking plaster. Does the hon. Gentleman agree?

Richard Burden: I do not think that everything else is just a sticking plaster, but I agree that credit is essential to any plan, both to stimulate demand and to ensure that liquidity and credit is available to manufacturers and the components sector. That is also vital. A number of significant manufacturers are saying precisely that, although I shall not name them, because it would not be appropriate.

The Government should consider what can be done on public sector procurement. Part of the economic fiscal stimulus should involve bringing forward major capital projects. In addition, if a public authority is considering changing or updating its vehicle fleet over the next year or so, it should do so now and get those orders going through. The hon. Member for Romsey mentioned skills training for the future, but now is the time to be thinking about that. Downtime is precisely the moment to upskill. Again, a number of manufacturers are seeking assistance and co-operation on that.

In some cases, we need to have a dialogue with certain manufacturers. For example, Honda has announced its intention to pull out of Formula 1 next season. It has a massive hi-tech facility in Brackley, and it would be a tragedy if that was lost to the UK industrial base. Discussions are ongoing to keep it in existence, but that will take time to come to fruition.

Mr. Brian Binley (Northampton, South) (Con): Some 50,000 people are reputed to have worked within a radius of 14 miles of Silverstone. We are very frightened by the situation with regard to the withdrawal of Formula 1 racing at Silverstone and by the work of a certain Mr. Ecclestone. Will the hon. Gentleman get the Government to put some pressure on him, because he is having the most damaging impact?

Richard Burden: As with Royal Mail, I shall not venture into a discussion on Bernie Ecclestone, other than to say that the motor sport industry is vital to the UK economy. One of the things holding that industry in place has been the presence of major events such as the British grand prix, whether held at Silverstone or Donington.

Finally, in considering our response to the economic downturn, we must avoid putting up too many boundaries around the motor industry. Motor and vehicle companies exist within communities. In my own area, for example, a number of universities—Birmingham university business school, Warwick manufacturing group, Birmingham City university and Coventry university—are talking about how to ensure that those companies contribute to the regeneration of the local area. The Longbridge site is the biggest redevelopment site in the west midlands, one of the biggest in the country and pretty large on a European scale. China's first major direct subsidiary is there, in the form of the Shanghai Automotive Industrial Corp and Nanjing production facility. Why not link the regeneration of that site—not just the motor manufacturing side, but regeneration in its entirety—much more to that production facility? Furthermore, Honda could be encouraged to play a much bigger role in the future of Swindon, which has an economy that will no doubt be re-profiling in the coming years.

[Richard Burden]

Those are just a few of the many things that we can do. However, the main message from everyone in today's debate is that the UK automotive industry is too important for us to allow it to become fatally damaged in this downturn. Action is needed now to address the situation.

Frank Cook (in the Chair): Twenty-three minutes are available, and three Members are bidding for it.

3.7 pm

Andrew Miller (Ellesmere Port and Neston) (Lab): I shall be as brief as I can, Mr. Cook. Colleagues will understand if I focus most of my remarks on Vauxhall Motors, which provides vital employment in my constituency. It produces high-quality vehicles, its management has a fantastic relationship with the trade unions, and it has a very real future based on the new Astra coming into production in 2009 as a result of direct intervention by this Government. The hon. Member for Romsey (Sandra Gidley) should understand that the Prime Minister, when he was Chancellor, played a vital role in securing that investment from General Motors Europe.

I follow my hon. Friend the Member for Birmingham, Northfield (Richard Burden), who speaks with great authority on the industry, and my right hon. Friend the Member for Oxford, East (Mr. Smith). In those two speeches, we heard real solutions for the industry. The SMMT has put together an extremely informative briefing for colleagues speaking in this debate, and it has played a pivotal role in some of the discussions over the past few weeks.

Short-term finance is clearly an issue. We cannot get away from that. Inevitably, with a product in the £10,000 to £20,000 bracket, financial arrangements will come into play. The consumer, at any level—be he a fleet buyer at the top or a customer at the bottom—will be looking at liquidity and finance issues. The Government cannot avoid engaging in that dialogue. Some of the issues raised by the SMMT, to which my right hon. Friend referred, are mission critical.

Equally, we need to consider the next generation of vehicles. We will be making a huge mistake if we do not engage with the industry now and ensure that investment comes to the UK for more environmentally friendly vehicles. Such vehicles will not run on internal combustion engines but on other sources, such as bioelectricity or biofuel cells. I thank my hon. Friend the Minister for his response to the letters that I have sent to both him and the Prime Minister. I started to engage with the Government on such issues in September. If we do not bring the matter together in a co-ordinated fashion, we will be doing huge damage to the industry as a whole.

My hon. Friend the Member for Birmingham, Northfield referred to Government procurement. I hope that the Minister will take that point very seriously. I understand that the Department for Work and Pensions is taking a lead in a large-scale Government procurement. If it follows the actions of the Driver and Vehicle Licensing Agency, which put up a Seat as a prize for one of its competitions, it will be doing a huge amount of damage to the industry. I say that with due regard to the distribution industry which distributes and markets products that are made abroad. It is an important part of the economy and we should not underestimate that, but, as a Government, we should support products that are made at home. For example, many police forces use Vauxhall Astras made in Ellesmere Port. We could sell considerably more to other such people, including to Ministers for the Government fleet.

The issue around environmentally friendly vehicles is particularly important. The SMMT has said that companies should be encouraged to invest in new technology and product development using existing research and development programmes, but with greater focus on low-carbon technologies. That will be fundamental to the long-term success of the industry.

Finally, reference has been made to chapter 11 with regard to the three big players in the United States. I do not think that any of those companies will go into chapter 11 in the conventional sense because who would buy any of those products? If we take the General Motors situation, who would buy Hummer as a going concern? I cannot see that as a real issue. We must work with our partners across the pond and ensure that the solution that the White House and Congress come up with protects the interests of European and British workers. After all, for all three companies, it is Europe and Britain that provide something close to a break-even point for them. It is the United States element that is in deep trouble.

I thank my hon. Friend the Minister for contributing to the engagement with the companies. I urge the media to focus on the facts. I am fed up with hearing about secret talks with Vauxhall. As the Minister can confirm, no such secret talks have taken place—they would not be secret if they were in the public domain. Moreover, there are stories about employee sabbaticals to which the hon. Lady referred. As she said, they are something that some people may regard as an interesting option on a personal basis. However, the newspapers have said that such sabbaticals are something that will be imposed on the whole work force. The company is not in that sort of trouble. It has a short-term finance problem, which the Government can help with. The Government can also help with moving towards more environmentally friendly vehicles. It is a strong company within a strong industrial base. I hope that the Minister will leave us with some confidence that the Government will do something to ensure that the industry can see its way through these troubles.

Frank Cook (in the Chair): Fourteen and a half minutes are available, with three Members bidding.

3.15 pm

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): I congratulate the hon. Member for Romsey (Sandra Gidley) on securing this important and timely debate. I recognise the time constraints, Mr. Cook, and I will try to keep my remarks very short.

My constituency has the highest concentration of motor manufacturers of any constituency in Britain. That is because of the Nissan car plant, which is a great source of pride for those who work there and supply it and for the wider community. Clearly, this debate is about not any one particular company, but the entire industry, which has been hit very suddenly by the downturn. In the year up to September, Nissan's sales had increased by 16 per cent. on the previous year. Yet, we are faced

with a very serious downturn. There are some positive aspects. Over the years, there has been good Government support for many of the models that have been developed there. Inevitably, car manufacturers are now having to take action to deal with the downturn.

Like Unite the Union, I want to praise Nissan for the way in which it has dealt with its staff. Since its arrival in the 1980s, the car industry in my constituency has transformed its operations. Who would have believed 30 years ago that we would be talking about the export of cars to Japan? That is the reality, and cars are exported on a regular basis to Japan.

Earlier on, there were some references to protectionism. I would caution against that. In my constituency, and in many others, we export something like 76 per cent. of what we produce to Europe and the rest of the world.

Our debate today has to be far removed from what goes on in the United States, or from the sorts of debate that we had about state intervention in industry 30 years ago, because we face a wholly different ball game. As my hon. Friend the Member for Birmingham, Northfield (Richard Burden) said, the British motor industry has transformed and modernised itself beyond all recognition. In the United States, where this debate is reflected both in the Congress and the Senate, there is a divide between some of the new car plants in the south and some of the older and more traditional plants in the north. We can be pretty proud that we do not have that divide in the United Kingdom. We have an efficient car manufacturing base that is often the envy of many other countries in the world. Members have stressed its importance because of the jobs that it produces and the £50 billion turnover that it generates for UK manufacturing.

The problems that car companies face at the moment are nothing to do with how they operate or with their efficiency. They are to do with the global turmoil that we all face. I welcome the Government's engagement with the industry, and it is right that we examine how we can assist. This is not about a huge bung to the industry. The industry, trade unions, manufacturers and the supply chains are considering sensible measures to assist. The SMMT has one proposal to open up the fiscal situation for car credit, which should be separated from the manufacturing side because it is more of a fiscal stimulus. Many of the finance houses that are involved in the motor industry operate like banks and are multi-billion pound operations. They should be treated similarly to those companies that have benefited from the fiscal easing within the financial sector, so that we can increase liquidity.

Reference has been made to the Train to Gain budget, which I should like to praise, because it is working very well in my area. It means that people are using this down time in production to reskill, so that they are ready when the turnaround comes. Many of my constituents would face Christmas on short-term earnings if there was no Train to Gain budget. The budget makes sense, because it ensures that we can upskill the work force.

Whatever happens with the global crisis, it will end at some point. Inevitably, there will be a reduction in global capacity, but we in the UK must ensure that we come through strong when the global turmoil ends. Hon. Members may disagree on when it will end, but it will end, and losing vehicle manufacturing capacity in the UK, the skills that we have developed, technologies, or the dedicated work force, would be a real tragedy.

Many companies are thinking about how to position themselves to take advantage in domestic and global markets—we must ensure those things. We must ensure that we do not lose the advantage that we have in skills and capacity. That is why I think that many of the practical suggestions need to be seriously considered by the Government, and quickly.

3.21 pm

Mr. David S. Borrow (South Ribble) (Lab): The town of Leyland, in which there is a long tradition of commercial vehicle manufacturing, in particular of trucks—Leyland Trucks is one of the biggest truck manufacturers in the UK—is in my constituency. When I was elected in 1997, 600 people worked there. When I visited the plant in August, at the start of a night shift, it had record levels of production and a big order book, and the work force was up to 1,600 people. I remember asking the managing director, Jim Sumner, whether there were signs of recession. At that point, there were no signs. Haulage companies were still placing orders and were in the queue for receiving their orders, and everything seemed well.

Within six weeks, it had gone off the cliff. Haulage companies that had planned programmes of regular orders suddenly backed off, either because they could not get finance, or because they were concerned about their cash flows. They were asking, "Can you delay it a few months?" again and again. There has been a reduction in orders of about 40 per cent., and one round of redundancies has gone through and another is due in the next couple of months.

It is not that the company is asking for financial help—it is strong. Eleven years ago, there was a management buy-out after the collapse of the old Leyland Truck and Bus company in the 1980s and early 1990s, and the company is now owned by Paccar, an American company, which is very sound and which has a lot of money behind it. Paccar has invested a lot of money, and it is a very good company. However, if haulage companies cannot afford to go through with their orders, we in Parliament need to look at what can be done to enable them to do so.

Several hon. Members mentioned extending the various financial guarantees to leasing and finance companies, which is key to allowing companies to go ahead with orders. Often, such companies have plenty of work and regular routes by which to deliver goods, and for years have had programmes to replace a percentage of their fleets. However, they are now being told by their finance companies and banks that they cannot have the money that they need. In 18 months' or two years' time, those orders will need to be met. The existing fleet will be falling apart and it will need to be replaced.

The truck industry is always hit by the peaks and troughs of the business cycle; it is affected as much as, if not more than, anybody else. The industry is used to that, and companies build it into their plans, so that if a recession comes, they can cope with a 10 or 15 per cent. reduction in output—that happens. This time, we are talking about a huge drop in orders, even if they will come through in two years.

This year, Leyland is taking 40 per cent. of the UK market—its best ever share. It is a good company, so what can the Government do to enable the orders to come through early—they will come—to allow the

[Mr. David S. Borrow]

production to continue, so that my constituents can continue in work, and so that the company is kept strong? Finance, whether it is through high street banks lending to small companies or leasing, is crucial, and something must happen on that.

A couple of other things have been thrown in the pot in my discussions with the company, which have occurred frequently in the past couple of months. They are not the biggest things that need to be done because finance is the key, but they might make a difference when it comes to allowing and encouraging haulage companies to continue bringing their orders forward. First, we could look at capital allowances for corporation tax and a 12 or 18-month window in which companies would get 100 per cent. tax relief to encourage them to bring orders through early rather than delay them for a couple of years. That could have some effect.

Secondly—again, this is at the margin, but it could make a difference to companies' ability to go through with orders—the changes that the Chancellor made in the VAT and duty regime in the pre-Budget statement has affected the UK haulage industry. For those of us who drive cars, it has made no difference to what we pay for diesel or petrol, but the amount that haulage companies can claim in VAT has gone down, and the amount that they pay in duty has gone up, so their running costs have increased. Those are relatively minor things, but they could make a difference and help orders to come through.

Thirdly, we could look at public procurement. One of the big Government organisations that buys trucks from Leyland is Royal Mail. We should see what can be done to bring orders through early via public procurement, to enable companies such as Leyland Trucks to go ahead. The orders would come in any case, but such a measure would bring them forward. Let us keep people in work and ensure that, when the recession ends and work picks up, we have an industry that is capable of dealing with the inevitably increased work load.

3.28 pm

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): I am sorry that I turned up late, Mr. Cook—I was detained on other House business. I apologise if I mention points that were made earlier.

What lessons can we learn? The No. 1 issue, as far as I see it, is the poverty of understanding and expertise in our boardrooms—it is a massive problem. The words "retained profits" never pass the lips of industrialists in this country; rather, it is always borrow, borrow, borrow, and retained profits are distributed as income to shareholders. Now we have massive over-leverage in a lot of companies, from prime users all the way down the supply chain. That lesson has to be learned.

Proper borrowing is sensible and prudential, but borrowing on the scale that British industry and motor manufacturing undertook in the past 20 years is close to suicidal. We no longer have a competitive currency; we have an import-export, balance of payments problem that will get worse, not better; and, regrettably, our competitiveness agenda has not been fully developed, despite the best efforts of the Government to push it along. We have ignored it in my constituency, which is related to the motor industry in a big way.

Goodyear was facing massive problems. It worked hard and used other agencies to help and advise it—this is an American company, by the way—and improved productivity by almost 30 per cent. It can be done. However, because we are not competitive, we are having worse problems in this recession than many other countries, especially those that put long-term factors in front of short-term gains. In this country, money that should have been retained was distributed as profits for investment.

We have problems with the exchange rate and, although it is helpful overall to have a lower, more realistically valued pound, we are facing reverse premiums in dollar markets, which will cause us even more problems.

I appreciate that you have allowed me to speak for a moment, Mr. Cook, and I can see that you are looking for me to conclude. We need training and more training but, most of all, we need to get those ideas into the boardrooms of the motor and other industries, such as aerospace, in this country. Let us ensure, when we come out of this, competitiveness, and a proper understanding in boardrooms of the need to retain and invest profits rather than overreaching through borrowing.

3.30 pm

Lorely Burt (Solihull) (LD): I congratulate my hon. Friend the Member for Romsey (Sandra Gidley). I, too, was in the ballot for this debate, so I am delighted that she was successful in bringing this matter forward.

We are living in times of a double whammy with tumbling demand and scarce credit. There is huge difficulty and I would argue that car manufacturing and construction are among the worst affected industries in this country. Land Rover is based in my constituency so I understand the problems closely. Jaguar Land Rover had record sales last year. Of its vehicles, 63 per cent. are exported, so hopefully the weak pound will at least help in that respect and overseas markets will recover. The UK car market represents 11 per cent. of this country's exports, so it is hugely important.

Jaguar Land Rover provides 15,000 jobs and there are 50,000 indirect jobs. We must think of the families of all those people. The company is doing all it can. We have spoken of the things companies are doing such as scaling back production and cutting shifts. Jaguar Land Rover has released 850 agency staff and allowed people to take sabbaticals. Employees of Jaguar Land Rover are on 80 per cent. of their pay so they are being less generously dealt with than Ford employees. There have been 600 voluntary redundancies already. The company is doing all that it can and there is great camaraderie. However, it needs urgent financial help. Next year will not do because it is vital. I spoke to Land Rover this morning and that is the message that it wants to give the Minister today.

My hon. Friend mentioned what some other countries are doing so I will not dwell on it. The US Senate rejected a $14 billion package of loans because unions refused to accept a pay drop. However, a replacement package is being worked on and an announcement is expected any day. In Europe, France is providing €400 million for the development of electronic and hybrid cars along with a €300 million investment for restructuring. Spain has a €800 million package for the automotive industry, which is part of a €9 billion stimulus package over two years. In Sweden, there is a £2.35 billion

increase in research and development investment and state credit guarantees. Other countries are helping their car industries. This country must do the same and we must do it urgently.

I hope that in his speech the Minister will not just reiterate the information in the letter he sent to vehicle manufacturers for their suppliers. The measures in that letter are very welcome, among them the small business finance scheme and the £1 billion guarantee facility for exporters. We want to hear what the Government will do specifically to help vehicle manufacturers. Small manufacturers will fall like a row of dominoes if nothing is done. Such action is urgent and important.

My hon. Friend mentioned stimulating responsible spending on vehicle renewal. Last year, Land Rover spent £800 million on green technologies. This year, the new stop-start Freelander is coming out, which has a reduction in emissions of 18 per cent. Will the Government introduce measures to stimulate responsible spending on vehicle renewal, such as a vehicle scrappage system for older vehicles to encourage take-up of fuel efficient technologies and to renew the vehicle fleet on our roads?

The Society of Motor Manufacturers and Traders urgently wants short-term access to Bank of England special liquidity schemes; loan guarantees or direct loans; a speeding up of the allocation of existing funding; R and D investment, including investment in blue-sky thinking; and an increase in capital allowance for fleet buyers. Another suggestion I put to the Minister is to introduce measures on trade credit insurance, which would be welcome not only to the supplier base, but to companies all over the country. Such measures would protect companies from the risk of default or insolvency among their customers.

We have all been shocked by the demise of Woolworths and MFI and their coming disappearance from the high street. Both had their trade credit insurance cancelled and were not able to find new insurance. That has been a body blow to many companies. Baroness Vadera has intimated that the Government may be prepared to look at a guarantee scheme. If they do not, this industry and many others will suffer needlessly. Such a scheme would not be a huge expense for the Government compared with the investment they have made already.

In conclusion, I reiterate the urgency of this matter. The Government say they are listening and Lord Mandelson has met with motor manufacturers. However, they must do more than listen. They must do something and they must do it urgently. It cannot wait until after Christmas. Please will the Minister indicate what the Government will do now?

3.38 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I am grateful to serve under your chairmanship, Mr. Cook. I pay tribute to the hon. Member for Romsey (Sandra Gidley) for securing this important debate.

We all agree that this afternoon we are trying to ensure that the automotive industry survives so that when the recession ends and the upturn comes, we are in the best and most competitive state possible. As a word of caution, although this is an extremely important sector that accounts for 11 per cent. of our exports, manufacturing as a whole makes up more than half our exports. We are looking to the Government to see how the manufacturing sector as a whole can survive the recession and move towards the upturn, not only the automotive sector.

As the hon. Lady has said, the automotive sector is extremely important. It provides 200,000 jobs in manufacturing and 600,000 in associated industries such as the garage industry, the parts industry and Formula 1, which has been mentioned. As has been mentioned by Labour Members, for every one job directly in the automotive industry that is affected, about two or three indirect jobs will also be affected. Any downturn in the industry is hugely important.

We are looking to hear from the Government what sort of package they are likely to come up with. In particular, we would like to hear how that will relate to what our friends across the pond are doing for their automotive sector. What they do will affect us. The automotive industries across the world are interrelated. I have seen how competitive Hyundai is in South Korea. I was in China the other day and saw its emerging automotive industry, which is also very competitive. One thing that we must do is produce higher and higher-tech vehicles. As was mentioned by Labour Members, we must maintain our spending on R and D and our university research. It is critical to our future.

I think that everybody here can unite in agreeing that we need to ensure that we keep credit flowing to both the major manufacturers and the second and third-tier supply chain components. If we lose the skills in those supply chain components, it will be difficult to get them back. That is why the Government's role is critical.

The hon. Member for Coventry, South (Mr. Cunningham) made a good speech about how critical the industry is to his constituency, and the 193 firms involved. He also made the point that critical mass is important. We have critical mass in this country at the moment. If we lose it, it will be much more difficult to get the industry back when the upturn comes.

The hon. Member for Ellesmere Port and Neston (Andrew Miller) made the most important point that I have ever heard him make. We must look to the next generation of vehicles. If we are not looking for high-tech vehicles, we will not be competitive globally. The hon. Member for Houghton and Washington, East (Mr. Kemp) has a high concentration of Nissan manufacturing in his constituency. It is an important part of the automotive chain. The hon. Member for Birmingham, Northfield (Richard Burden) also spoke. The automotive sector is very important to the Birmingham area. My hon. Friend the Member for Bromsgrove (Miss Kirkbride) and other Members from Birmingham are also here.

What has gone wrong, what can be done and what will the Government do about it? Unfortunately, so far, the Government have moved in the wrong direction. The pre-Budget report increased vehicle excise duty regulations to reclaim £100 million more in unused car tax discs. The Government take £33 billion in VAT, road fuel tax and fuel duty but give back only £8 billion to the transport sector. The rate of corporation tax for small firms went up from 19 per cent. in 2006 to 20 per cent. in 2007 and 21 per cent. in 2008. That is going in the wrong direction.

Several other changes in tax policy included in the PBR will have a negative effect on manufacturers. For example, individual firms face up to £2,250 in costs to

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relabel all their stock as a result of a pitiful change in VAT from 17.5 to 15 per cent., which will be reversed in a year's time. I have received numerous representations from firms getting ready for Christmas about the cost and difficulty involved. That money could be much better spent in other directions, as I will explain in a moment.

Mr. Kemp: Will the hon. Gentleman give way?

Mr. Clifton-Brown: Yes, but the hon. Gentleman is the only Member to whom I will give way, because of the time.

Mr. Kemp: Many Members will be concerned to hear that the reduction in VAT is pitiful. When it comes to car manufacturing it represents hundreds and hundreds of pounds. It is not a pitiful amount to people looking to buy a new car. I can understand that it will be pitiful for small items, but not when it is worth hundreds of pounds.

Mr. Clifton-Brown: Ask one of the retail component manufacturers that have had to reprice hundreds or thousands of products just before Christmas what they think about the VAT changes. I can tell the hon. Gentleman that they are not very amused by them.

Miss Julie Kirkbride (Bromsgrove) (Con): My hon. Friend might want to point out that there have been many good deals on new cars, whose prices have been slashed by far more than 2.5 per cent. of late.

Mr. Clifton-Brown: I am grateful to my hon. Friend. That is the way to do it. If car retailers can give really good deals, that is the way that we ought to go. Somebody mentioned a scrappage package suggested by the Society of Motor Manufacturers and Traders and the Retail Motor Industry Federation. That is a thoroughly good idea: get rid of the old polluting cars and encourage people to buy new clean technology cars. Incentives for people to do so could be offset by VAT on the new cars. It is a thoroughly good and worthwhile package to consider.

What would the Conservatives do about it? We would introduce a national loan guarantee scheme to underwrite debts and ensure that banks lend to small businesses. *[Interruption.]* Hon. Members may groan, but everybody in this debate has agreed.

Chris Huhne: Will the hon. Gentleman give way?

Mr. Clifton-Brown: No. I said that I would give way only once. Everybody in this debate has agreed. We do not need to be political about it; we need to ensure that the banks lend to businesses so that they are there when the upturn comes.

The Conservatives would give tax breaks to businesses that hire workers who have been unemployed for three months or more, which would be revenue-neutral, as it would be funded by lower spending on unemployment benefits. We would cut corporation tax rates, reducing large corporation tax from 28p to 25p and small corporation tax from 22p to 20p. Those measures would help business to get more cash flow now. We would allow businesses to defer VAT for up to a year. We want to get cash flow into small businesses in particular, here and now.

I have one question for the Minister before I finish. The noble Lord Mandelson has been in serious talks with the automotive industry. We need to know what package is likely to emerge from those talks so that we can help safeguard those 800,000 jobs. When it comes, we will evaluate it to see whether we can support it, but we want some real information from the Minister.

3.46 pm

The Economic Secretary to the Treasury (Ian Pearson): It is a pleasure to serve under your chairmanship, Mr. Cook. I congratulate the hon. Member for Romsey (Sandra Gidley) on securing this important debate. From the strength of feeling expressed today, nobody can be under any illusion that hon. Members do not value and appreciate the automotive industry in the UK and recognise it to be of strategic importance to the UK economy.

Hon. Members will be aware that I have form. Those who know me are aware that I have been a passionate advocate for the manufacturing industry throughout my parliamentary career, and I can assure hon. Members that that has not changed now that I have become an economics and business Minister at the Department for Business, Enterprise and Regulatory Reform. We as a Government need to consider what more we can sensibly do to help the automotive industry through these difficult times, but we should not forget what action has already been taken by the Government and what help is available or will become available shortly.

Reference was made to the letter that I sent through the automotive manufacturers to supply chain companies, detailing a range of existing support mechanisms. I will say a bit more about that in a few minutes. My hon. Friend the Member for North-West Leicestershire (David Taylor) said that some companies did not get it. If he has the details, we will try to ensure that word gets out to all the companies in the automotive supply chain, because it is important.

It is clear that there is a strong feeling among Labour Members about the importance of the automotive sector. We have heard contributions from my hon. Friends the Members for Coventry, South (Mr. Cunningham), for Birmingham, Northfield (Richard Burden), for Ellesmere Port and Neston (Andrew Miller), for Houghton and Washington, East (Mr. Kemp), for South Ribble (Mr. Borrow) and for Wolverhampton, North-East (Mr. Purchase), as well as interventions by my right hon. Friend the Member for Oxford, East (Mr. Smith) and my hon. Friend the Member for North-West Leicestershire.

I note that my hon. Friends the Members for West Bromwich, West (Mr. Bailey), for Birmingham, Selly Oak (Lynne Jones), for Birmingham, Hall Green (Steve McCabe), for Birmingham, Edgbaston (Ms Stuart) and for Gateshead, East and Washington, West (Mrs. Hodgson) are also here but have not had the opportunity to speak, as this is only a one-and-a-half hour debate. I have no doubt that if they had spoken, they would have expressed the same concerns as other hon. Friends.

It is a bit disappointing, to say the least, that for most of this debate, there has been only one Back-Bench Member from the official Opposition. I hope that that

does not reflect the Conservative party's lack of interest in the automotive industry in the United Kingdom. The UK values the automotive industry, and the Labour Government value it. We are doing what we can sensibly to provide it with support.

Chris Huhne: I hope that the Minister will include the Liberal Democrats in his encomium to Labour Members. We have motor industries in our constituencies as well—in Romsey, Eastleigh and Solihull—and we are, proportionately, the most highly represented group in this debate.

Ian Pearson: I will not be drawn into mathematics, but I acknowledge the largely constructive way in which the hon. Member for Romsey made her points.

Last year, the United Kingdom produced 1.7 million vehicles, about three quarters of them for export. We produced about 3 million engines and a record 39,000 pieces of construction equipment. This is an industry that employs almost 1 million people in the United Kingdom. It is of immense value to our economy.

Much was made of actions that were being taken by other countries with regard to the automotive industry. In particular, my hon. Friend the Member for Ellesmere Port and Neston talked about the US automotive manufacturers and the discussions that have been taking place in Congress about a package of support for them. I want to assure him and the House that we are continuing to monitor that situation very closely indeed and we will examine the implications that any such package may have for the UK plants of those automotive companies.

My hon. Friend also stressed, very validly indeed, the role of the Prime Minister in securing investment in the new Astra at Ellesmere Port. I could point to many other examples of where the Government have been intervening to provide support, whether it has been selective financial assistance to help companies with new products or new projects; support through the Technology Strategy Board; green carbon research and development expenditure; or Train to Gain and other training packages. A significant amount of support is already being made available through this Government.

Mr. Binley: I recognise the time constraints, but can I impress on the Minister that businesses, particularly those within the supply chain of the motor manufacturing sector, are crying out for working capital—for cash? It is widening the guarantee scheme with the banks that provides a real answer. I am not bothered how he does that, but will he give us some hope today that he will do that?

Ian Pearson: Let me reply to that point in a moment. First, I want to talk about three areas where the Government are taking action. The first is the action that we are taking to encourage demand in the United Kingdom economy, to create consumer confidence and provide a fiscal stimulus. That is a vital area. We want people to have the confidence to go back to buying cars. In response to the points that my hon. Friend the Member for South Ribble made, we also want them to have the ability to make commercial decisions to buy commercial vehicles. That is why the £20 billion fiscal stimulus is important. It is why the agreement that was reached by European Heads of State for a European-wide fiscal stimulus is another key measure that needs to be introduced.

As hon. Members will be aware, with three quarters of the cars that we manufacture being exported, it is vital that European countries and the US, which are key markets for us, look to provide a fiscal stimulus and take measures to boost the confidence of their consumers, so that those consumers can continue to buy cars in the future. I think that the Conservative party needs a lesson in economics and how aggregate monetary demand works, if its members say that the fiscal stimulus is not an appropriate policy issue; it very much is. As my hon. Friend the Member for Houghton and Washington, East clearly pointed out, the effect of that stimulus on a car can amount to several hundred pounds and can be a significant additional incentive. Of course, as the hon. Member for Bromsgrove (Miss Kirkbride), who has flitted off again, mentioned, discounts that are being made available at the moment by the car manufacturers mean that there are some very good deals for those people who want to buy cars.

Several hon. Members *rose—*

Ian Pearson: I will give way to the hon. Member for Cotswold (Mr. Clifton-Brown) and that will be the last time I give way, because I want to reply to some of the points that were raised earlier.

Mr. Clifton-Brown: In order to get something positive out of this debate for all those businesses that are struggling on a day-to-day basis and all those people who are likely to lose their jobs, can the Minister give this House any idea this afternoon when some of that European money is likely to flow into the automotive businesses?

Ian Pearson: I will talk in a moment about some of the support mechanisms that are already available or are just about to become available.

The second point that I wanted to make is that this issue is not about just having a fiscal stimulus for the economy; it is also about ensuring that banks continue to lend. Right hon. and hon. Members will be aware of the pressure that the Government have been putting on banks to continue to make lending available, not just to small businesses but to larger businesses as well.

There have been several announcements in the last few weeks. For example, on 23 November NatWest RBS said that it will maintain existing overdraft pricing for small businesses, and it has also pledged to continue to provide committed overdrafts for business. There is an issue about some overdrafts not being committed overdrafts and consequently they could be withdrawn without notice. Lloyds TSB has also been taking action, with its charter for small business. Separately, HSBC is delivering a £1 billion business support fund. I believe that it is only as a result of the significant dialogue that there has been between the Government and the banking system that some of these measures have been announced. I am sure that the whole House will welcome those measures, and we need to continue to ensure that we keep banks in the spotlight, so that they continue to lend at appropriate rates to businesses.

The third area that I want to address is the Government support mechanisms that are available. Hon. Members mentioned Government procurement. We need to look

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around the Government more widely to see whether there is more that we can do to provide assistance at this point in time.

Packages of measures are available or becoming available, such as the small business finance scheme that was announced in the pre-Budget report. There is £1 billion in extra support to companies. We hope that the scheme will be up and running early in the new year. Similarly, we hope that the export credit insurance to small companies will also be available early in the new year. Obviously, there are legal requirements that must be met to get these schemes up and running in a proper way, but we are doing everything that we can to move as quickly as possible to ensure that that funding also becomes available.

In addition to taking measures on export credit insurance, we are actively working as a Government to see whether there is something sensible that we can do on domestic credit insurance.

A decision has been taken by the European Investment Bank today that £1 billion of new lending will be available immediately to the banks through the European Investment Board, confirming an announcement in the pre-Budget report. Again, the House will welcome that decision. As a Government, we have been pressing very strongly to double the amount of money coming from the European Investment bank for green cars in the next few years. There will be an €8 billion fund and I believe that it will be very important to our industry, to help it with the R and D that it is doing to take carbon out of its new product ranges. We will continue to apply pressure in that area. We are taking other measures to support R and D expenditure through the Technology Strategy Board, and I am sure that those measures will continue to bear fruit.

We continue to have a dialogue with the large automotive manufacturers that came to see Lord Mandelson and myself very recently.

As has been said, we have seen the collapse of big household names such as Woolworths and MFI. Clearly we cannot rule out other companies being at risk, and that is one reason why we need to continue to have a dialogue. However, I want to stress that any Government support that would be provided needs to be regarded as exceptional. These are exceptional times and we are having to contemplate doing exceptional things. Loans from Government should always be seen as very much a last resort. In the first instance, we should be looking to companies and their parent companies to provide the funds that are required for the future. We should also look to companies to restructure. However, in certain instances, we will possibly need to go further. That is why we continue to have dialogue, as appropriate, with companies during these difficult times.

Dartford River Crossing Tolls

4 pm

James Brokenshire (Hornchurch) (Con): I am grateful for this opportunity to discuss the new charging arrangements at the Dartford river crossing, particularly the recent increases. This subject is very relevant to my current constituents in Hornchurch and those whom I hope to represent, after the next general election, in Old Bexley and Sidcup. As a user of the crossing, I declare an interest.

There were tolls at the crossing before the construction of the Queen Elizabeth II bridge, which opened in 1991. As part of the private finance arrangements for the construction of the bridge, the then Conservative Government promised that when construction costs had been met and an adequate maintenance fund had been established the tolls would cease. That position was reached in April 2003, but the Labour Government decided that a charge should be retained to ease congestion. They promised that the profits raised would be used to fund transport infrastructure improvements, although they did not specify where those improvements would be.

Mr. John Baron (Billericay) (Con): I congratulate my hon. Friend on securing the debate. Does he understand the frustration of my constituents that although Essex helped to pay for the original Dartford tunnel, which was constructed in the 1960s, out of local taxation, local residents are still paying bills? My correspondence with the Government has failed to explain why the charges are increasing, with even more profits flowing to the Government, even though the costs had been covered by April 2003, as he says. Can he explain that?

James Brokenshire: My hon. Friend makes some relevant points on which I shall expand in my comments. His point about profit is quite relevant because the annual profit since the point at which the costs of the bridge had been paid off has been between £47 million and £52 million. Up until last month, Kent county council received £1 million in extra spending permissions for local transport infrastructure, and Thurrock borough council received £750,000. That has now come to an end.

Mr. Michael Fallon (Sevenoaks) (Con): Was not it a principle of the original tolling charge that everyone paid the same? It is outrageous that my constituents in Swanley should pay an increased charge while those who live in Dartford and Thurrock, which happen to be Labour marginal areas, have most of their journeys completely free.

James Brokenshire: My hon. Friend makes a powerful point. That problem is shared by my constituents in the London borough of Havering, many of whom live closer to the crossing than some residents who receive the benefit.

John Austin (Erith and Thamesmead) (Lab): The hon. Gentleman will know that many of my constituents live much closer to the Dartford crossing than many of the residents of Thurrock or Dartford. Is he aware that until recently, when the discount scheme was introduced, Dartford was receiving, through Kent county council,

£1 million a year, and Thurrock was receiving £750,000 a year from the tolls for local transport? Would not it have been more equitable for some of those resources to come to Bexley as well?

James Brokenshire: The hon. Gentleman makes a valid point about the use of the £1.75 million that was previously available, which seems to have been traded away for the local discount concession. As I shall go on to explain, I am not sure that a particularly fair trade-off is being created. On 15 November, the revised charging structure was introduced, the impact of which was that the daily cash charge for cars and vans was increased by 50 per cent. from £1 to £1.50, with other increases in cash charges for larger vehicles.

Dr. Howard Stoate (Dartford) (Lab): My constituency is Dartford, as the hon. Gentleman knows, but I am not at all in favour of the increased charges, which is why I proposed a reduction for local residents. However, will he clarify one point? He mentioned that the tolls should have been free once the bridge had been paid for; what is his party's policy on the toll should it come to Government in the future?

James Brokenshire: I do not speak on behalf of my party on transport issues, so unfortunately I cannot give the hon. Gentleman the answer that he seeks. What we need to hear is the Minister's answer, because it has been difficult to understand what is the Government's position on this issue moving forward, on investment in the crossing and on the public spending review.

4.5 pm

Sitting suspended for a Division in the House.

4.20 pm

On resuming—

James Brokenshire: In a letter to me of 22 May 2008, the then Minister of State at the Department for Transport, the right hon. Member for Doncaster, Central (Ms Winterton), confirmed to me that the intention had been to remove the tolls that we were discussing before we crossed from one half of this debate to the other, when the costs of the bridge had been recovered. She added:

> "However, traffic levels have risen far faster than projected and work carried out by the Highways Agency has indicated that removal of the toll charges would increase traffic levels by 17 per cent. on 2003 levels."

I am yet to be convinced that the removal of the tolls would have the impact stated, and I invite the Minister to set out why other solutions could not address the problem. My starting point is that a promise was given when the tolls were introduced, and that without compelling evidence that promise should be honoured.

Mr. David Evennett (Bexleyheath and Crayford) (Con): My hon. Friend will be well aware that I have campaigned for quite some time to get the Government to reconsider the matter. He is making a powerful point about how they have reneged on the understanding that the tolls would be removed when the bridge had been paid for. Of course, the environmental consequences of the build-up of people waiting to pay the toll should also be considered.

Does my hon. Friend agree that it is unfair that my constituents in Slade Green, Crayford and Bexleyheath, who live much closer to the Dartford crossing than residents in parts of Thurrock, are discriminated against by not getting a discount?

James Brokenshire: My hon. Friend points out about the need for basic fairness, in which I believe equally. When considering the charges levied, it is relevant that rather than increase, traffic levels at the crossing have actually fallen in recent years. According to information published on the Highways Agency's website, the total number of vehicles using the crossing in the 2007-08 financial year was 53.2 million—nearly 400,000 fewer than the previous year and 1.2 million fewer than two years previously. In fact, it was the lowest number for five years. If the number of vehicles is falling, and likely to fall further with the economic slow-down, what justification can the Minister give for increasing the charge now of all times? Vehicle numbers were being reduced under the previous charging arrangements.

Bob Spink (Castle Point) (Ind): The hon. Gentleman is being most generous in giving way. In fact, the removal of the tolls when the bridge was paid for was included in the Dartford-Thurrock Crossing Act 1988 itself. It was a very strong promise.

The hon. Gentleman will have received information from the Federation of Small Businesses, and I am sure that he is supporting its campaign in Essex. Does he share its concern and mine that the Government are being less than forthright in providing evidence to show that the toll is anything other than yet another Labour stealth tax?

James Brokenshire: We will need to hear from the Minister on that point, but certainly the anecdotal evidence is that congestion at the toll booths has got worse, not better, as drivers scrabble around to find the correct change. I was recently told a story about a driver who was struggling to find the correct money for the toll. The motorist behind got out of his car in a slightly aggressive manner, and the driver thought that he would end up in an angry exchange with him, or worse. Instead, the man grumpily gave him 50p and said, "I'm in a hurry." We could probably all relay stories of similar things happening.

As a sop to residents in the area of the crossing, the Government have introduced a scheme for residents of the Thurrock and Dartford council areas to receive discounts when using the crossing. However, the scheme hardly seems a rip-roaring success, with some reports that as of a month ago, only 6,000 people had registered for it since July. Will the Minister confirm how many people have registered for the benefits of the discount scheme?

More significantly, as we have heard, the discount scheme is arbitrary in its application. A person can live nearly 13 miles away from the bridge in some parts of Thurrock and receive the benefit of the discount scheme, yet a Havering or Bexley resident living much closer simply has to put up with being charged more. As Boris Johnson, the Mayor of London, noted in his representation on the plans for the revised charges in the area covered by the discount:

[James Brokenshire]

"It is clearly unfair that communities in, for example, Crayford in Bexley (only three miles from the Crossing) are not included within the proposed local discount area, when the residents in Coryton in Thurrock, over ten miles to the east of the crossing are included."

I could make exactly the same point about people living in Rainham village or Wennington village in my constituency. Tracey Crouch, the Conservative candidate for Chatham and Aylesford, contacted me to point out that if the same distance test were applied, a large part of Medway, on the doorstep of the Minister's constituency in Gillingham, would be covered.

Mr. Adam Holloway (Gravesham) (Con): The tax money will have to come from somewhere if the toll is taken away. Obviously I would like that to happen, but my main concern is the crazy operations management. Why should people from Gravesham or any of the other constituencies represented in the debate have to spend minutes, or large proportions of an hour, waiting? I would say that in the three years that I have been the Member for Gravesham, I have spent at least 20 hours waiting to cross that bridge. Why cannot we have the toll booths on just one side, or something? The Government's operations management is absolutely appalling, and it is time that something was done about it.

James Brokenshire: Like my hon. Friend, I have been stuck in the traffic there. Creative ways around that could be thought of, and I know that the FSB has advocated the overhead camera technology used in the London congestion charge. That or other technology could be used more creatively to allow the traffic to flow. I hope that the Minister will take that on board and listen to those representations, and consider whether there are ways to deal more effectively with the charge, if it has to be retained.

John Austin: Will the hon. Gentleman give way?

James Brokenshire: I have given way to the hon. Gentleman already, and I would like to make some progress.

We have heard about the lack of ring-fenced funding and the fact that the £1.75 million that had been ring-fenced for certain areas is now to be spread across the country. The Government therefore cannot even argue that that money is being spent to encourage people to use other forms of local transport, which is an argument that has been used in support of other such schemes. Instead of guaranteed funding for local roads and infrastructure, we have a discount scheme that appears to be limited to a small group of people, potentially living up to 20 km away from the bridge. The scheme relates to specific vehicles, meaning that someone with two cars has to pay two registration fees, and its take-up to date appears to have been limited. I say to the Minister that that does not look like much of a concession—it looks more like some sort of con.

We must also consider the impact of the increased charge on small businesses, which are struggling in these increasingly challenging economic times. An Essex-based courier company that I spoke to estimated that the additional charges at the crossing could cost it as much as an extra £5,000 a year. Surely this time of economic downturn and local businesses struggling to keep their heads above water is absolutely the worst time for the Government to give them a further slap in the face by increasing the costs.

In a letter to me of 27 November, the Minister wrote:

"In the longer term we expect demand for the Crossing to continue to grow. The Department for Transport is therefore commissioning a study to look at options for addressing traffic issues in the future. It is due to report around the turn of the year."

As we are fast approaching the turn of the year, will the Minister provide an update on the nature and progress of that study and tell us what is its brief, who is conducting it, who is giving evidence to it and when it will be published?

The Minister will be aware of current discussions about the long-term future. Essex and Kent county councils have been working on the potential impacts and economic advantages that additional capacity could unlock for the people of those counties, particularly in the context of the Thames Gateway, in which I know he has taken a close interest. Will he commit to work closely with Essex and Kent county councils on the future of the existing river crossing, as well as on considering where any new crossing might be located?

If the Minister is not prepared to remove the toll and believes that some form of charge should be retained, can he confirm that he is prepared to investigate removing the toll booth plaza and introducing a system similar to the one used to enforce the congestion charge zone in central London, with overhead automatic number plate recognition cameras, thus removing the need for vehicles to stop at payment booths and wait for the barrier to rise?

Another question is what other plans the Government might have to realise even more funds from motorists using the crossing. In the recent pre-Budget report, details were provided of the working of the operational efficiency programme. It was stated that it would be

"widening the scope of the study of capacity requirements at the Dartford Crossing to include the potential to realise value for the taxpayers".

Can the Minister confirm what was meant by that statement, as it gives the unfortunate impression that the Government see the crossing as a cash cow to generate even more revenue for the Exchequer?

In conclusion, Jon Holmes writing in *The Sunday Times* summed up the current mood well:

"Even the three billy goats gruff didn't have this sort of hassle when they wanted to get to the other side of their river. Granted, they had to deal with a troll, but he wasn't demanding £1.50 every time. In fact, when he tried it on once too often, he got butted firmly into the river. Think on that, Dartford Crossing authorities."

I hope that the Minister will think on that and give hard-pressed motorists, shoppers and small businesses an early Christmas present by scrapping the toll increase and by going back to the drawing board on the charging arrangements at the Dartford river crossing.

4.30 pm

The Parliamentary Under-Secretary of State for Transport (Paul Clark): I congratulate the hon. Member for Hornchurch (James Brokenshire) on securing this debate.

As all hon. Members in the Chamber are aware, the Dartford crossing is a vital part of our strategic road network and brings huge benefits to users. However, its success has created some real challenges over the years, and I am conscious that as we have addressed those challenges, some of the complex considerations that we have had to wrestle with have not always been made clear. Therefore, I am delighted at this opportunity to explain the position and to answer questions that have been raised in the debate.

Several Members will be able to remember the early days. The first crossing was a single tunnel built in November 1963. That project was promoted by Kent and Essex county councils. A second tunnel was opened in May 1980, but, in the 1980s, the levels of traffic that we would have to deal with and the substantial increase in capacity that would be needed were becoming clear. Hence, with the building of the M25, the crossing became a key part of the strategic road network, and the Government decided to promote the construction of the Queen Elizabeth II bridge. Control then passed from Kent county council to the Government, and a concession was let for the building of the bridge, which opened in 1991. Under the concession, tolls were charged to pay for the costs of building the bridge, as Members have rightly pointed out.

We also saw a substantial growth in the volume of traffic in the 1990s, which had two effects. First, it increased the revenues that were collected, meaning that the bridge would be paid for sooner than had been expected. Secondly, it raised concerns about what would happen if the tolls were removed, given the increasing volume of traffic.

Mr. Baron: Will the Minister give way?

Paul Clark: Let me just say this before I give way: I noted that several Members said that the tolls are creating congestion. I want to deal with that matter, and the effect that removing the tolls would have.

Mr. Baron: I wish to mention two issues briefly. What about the promise that the tolls would be abolished once the costs had been recovered? Secondly, there is little doubt that the increase in the tolls has created greater congestion. I use that tunnel crossing many times each week, and the increase has added to congestion—it is not helping at all.

Paul Clark: I will come to the issue of the charges that were put in place as of 15 November—four weeks ago.

On the position once the bridge had been paid for through the toll, the hon. Gentleman is absolutely right, but would it have been possible in the 1980s to predict the volume of traffic that we have today? Some 53 million people make that crossing each year. Would he have been able to predict at that time the state of the economy, in particular the success and continual growth that we have had, particularly in the regions that we are discussing? I will come to the current downturn in a moment.

We had to make difficult decisions. That is why I said at the beginning of my comments that the consequence of the growth in traffic in the 1980s was a realisation that we needed a further crossing, and that is exactly why the QEII bridge was built.

Following on from that, let me deal with the issue of removing the tolls. All the profiling that we did in 2000 to 2001 showed that if the tolls were removed, there would be an increase of about 17 per cent. in the number of people attempting to use the crossing. Therefore, if one thinks about the approach to the tunnels and the difficulties that occur even now if a vehicle breaks down, they will admit that delay and the congestion that it causes are substantial. If there were no tolls and no plaza, the pollution caused by the number of vehicles trying to get into the entrance would be even greater than it is currently.

Andrew Mackinlay (Thurrock) (Lab): I hope that the Minister will acknowledge to the Chamber that, under European directives, riparian crossings can be tolled only if they diminish congestion. That is the only mandate; otherwise, tolls are unlawful. If the present congestion were to endure, presumably the Ministry would have to accommodate that or not be in compliance with European directives.

There is much that I would have liked to say, but my final point is that my hon. Friend the Member for Dartford (Dr. Stoate) and I learned about the proposal to increase the tolls at the same time as everybody else, from our local press. We did not go ballistic—we went nuclear. Don't mess with us.

Paul Clark: One thing I can certainly agree with is that my hon. Friends the Members for Thurrock (Andrew Mackinlay) and for Dartford have been the most consistent in arguing their case. In part, that resulted in the discussions that followed and the consultations with residents which led to the residents' scheme being introduced.

Bob Spink: Will the Minister give way?

Paul Clark: I will give way once more but I want to be able to put answers to the questions on the record.

Bob Spink: The Minister may recall that I raised the matter in a speech in this House about seven years ago, and that I have campaigned on it ever since. Why should the people of Essex and north Kent be discriminated against? Why should they be singled out from all the people in this country to collect tolls in order to solve congestion problems or to raise stealth taxes? Surely, if the argument applies there, it should apply for all the similar road areas around the country. We are being discriminated against.

Frank Cook (in the Chair): Briefly.

Bob Spink: If there are to be road tolls, let us introduce them honestly across the whole country and let everybody pay the same.

Paul Clark: With due respect, the hon. Gentleman and, unfortunately, others seem to assume that the road is used by local people only, but it is not. In the first few paragraphs that I had a chance to deliver, I said that it is part of the strategic road network. The hon. Gentleman is well aware that with the M25 on either side, it is part of a critical route. It is not just the people of Kent and Essex who pay for the crossing.

[Paul Clark]

I suspect that most of the people who use the crossing day in and day out would not want the additional delays that undoubtedly would follow if there were a free-for-all. Safety in the tunnel would also be impaired, because another matter that hon. and right hon. Members will be well aware of— *[Interruption.]* It would be a free-for-all, given the substantial tankers that need to be escorted through the tunnel. That is another management issue that has to be considered for the safety of all drivers and motorists going through the tunnel.

Let me remind Members that the arrangements that were introduced in the Transport Act 2000 and discussed by Parliament gave powers to introduce a charge on the tunnel and the crossing at Dartford. The Act gave us that ability, and it said clearly that any surplus revenues after the costs had been met would go into transport schemes. I accept that transport schemes have benefited on both sides of the river, as have those in other places as well, but that is part of the £2 billion that is going in every year to local transport and regional funding allocations. Kent and Essex have certainly benefited directly.

John Austin: When the Transport Bill was going through Parliament, the hon. Member for Thurrock and I were assured by the then Office of the Deputy Prime Minister, which was responsible, that although this was a congestion charge the revenue that arose from it would be used for investment in local transport infrastructure. We heard earlier that some investment went to Dartford and some went to Thurrock, but not beyond there.

The Minister will know that the Mayor of London has scuppered phase 2 of the Greenwich waterfront transit, which puts in doubt any possibility of phase 3 ever happening—its extension into Bexley, Belvedere, Erith and, perhaps, on to Dartford. Would the Minister consider making some of this revenue available for public transport improvements in the London borough of Bexley?

Paul Clark: My hon. Friend will be well aware of substantial funds that are made available through the Department for Transport and of various funding allocations, including through Transport for London and elsewhere—in terms of regional funding—through local transport plans for substantial investment in a number of ways and through various funding streams for those areas falling within the Thames Gateway, which hon. Members have already mentioned. Of course, the Mayor has the powers to make those decisions and he has made them under the powers that we gave through devolved administration.

Anyone who is unaware of the scheme would believe that everyone is paying an increase of 50p on every trip all the time and that they have to do that and have no choice. Hon. Members will know, if they are serious about this matter, that people can obtain the Dart-Tag, with which they can travel across the bridge for the same price as on 14 November, and not have to pay the increase. We want to move far more to people paying less in cash and using a cashless payment system. That is why we have made sure that there are generous concessions and no price increase at all.

In the few minutes remaining, let me say that I too heard the courier who said that it would cost him £5,000 more a year. I do not know the ins and outs of his business in total. He was talking about small vans and so on, the cost for which would have increased to £2. However, if he bought the Dart-Tag for his vehicles that cross regularly it would cost £1.75, which is 5p less for those very vans than on 14 November. It is unrealistic to suggest that everyone is being clobbered by serious increases.

In terms of residents, the hon. Member for Erith and Thamesmead has just widened the boundary for free travel to the people of Billericay, Sevenoaks, Erith and Thamesmead, Gravesham, Bexleyheath and Castle Point. The point is that this is a congestion charge in place to ensure that the crossing flows as reasonably as possible. Extending the concession further would not be a practical way of dealing with the congestion.

Mr. Evennett: Will the Minister give way?

James Brokenshire: Will he give way?

Paul Clark: No, I have been very generous in giving way.

Let me deal with one further point relating to the future. It would be wrong for us as a Government to bury our heads in the sand in respect of congestion on the Dartford crossing or wherever. That is why I am more than happy that we work with Essex and Kent, along with our own study in the Department on the possibilities of further crossings, and see how we can manage things in future. That is a long-term programme. It is right that we consider how best to ensure that the people who need to cross at that point can do so in the best and safest way possible. However, we recognise that removing the plaza and tolls and so on, would only lead to further congestion, which would not be good for the constituents of all hon. Members in this Chamber or the people who need to use it as a strategic network.

I give way to the hon. Member for Bexleyheath and Crayford (Mr. Evennett).

Mr. Evennett: I am grateful. Did the Minister—

Frank Cook (in the Chair): Order.

Single and Double Summer Time

4.45 pm

Mr. David Kidney (Stafford) (Lab): It is a pleasure to debate the subject of time under your watchful eye, Mr. Cook.

I am grateful to the Minister for Trade, Investment and Consumer Affairs for being present to reply to the debate. The Minister for Employment Relations and Postal Affairs was good enough, a fortnight ago, to meet me and Colin Dawson, from the British Association of Leisure Parks, Piers and Attractions and Tom Mullarkey, the chief executive of the Royal Society for the Prevention of Accidents. We debated this subject with him and his ministerial colleague, the Under-Secretary of State for Culture, Media and Sport, my hon. Friend the Member for Stevenage (Barbara Follett). We made a number of points that day, which I am pleased to have the opportunity to make to the wider audience of all hon. Members and, hopefully, the public outside.

Probably the greatest holder of knowledge on the subject of daylight saving in the world at the moment is an American scholar named David Prerau, who wrote the book, "Saving the Daylight". I was lucky enough to meet him last time he visited this country a couple of years ago. On Monday, I spoke to him on the telephone about this debate. He would agree that the basic goal of daylight saving time is to change the hours of human activity to make the best use of the available daylight. Sadly, it is not within Parliament's power to increase the number of daylight hours in each day—that is a matter of nature—but we can allocate the daylight hours each day to provide more usable hours of daylight.

In this country, the first champion of daylight saving time was a British builder called William Willett, who wrote a pamphlet in 1907 called "The Waste of Daylight". The following year, daylight saving time's first parliamentary champion was Robert Pearce, the Member of Parliament for Leek—he has a Staffordshire connection—who introduced the first daylight saving time Bill in 1908. Today, more than 70 countries around the world now change their clocks each year to make the best use of available daylight.

David Prerau shows in his book that most countries change their clocks to achieve energy savings. To provide an historical illustration, during both the first world war and the second world war, all the main participating countries changed their hours of daylight to focus on their war effort, reduce domestic energy consumption and get the most out of their work force during usable hours of daylight. In 1973, with the first of the oil shocks in the middle east, the United States of America's instant response to that energy crisis was to change, almost overnight, their daylight saving law to make the most of daytime.

The practice of daylight saving is now common throughout the world and it is still going on today. The USA decided to extend its daylight saving time, and that was done—get this, Minister!—in the Energy Policy Act 2005. That underlines the point that energy saving is the main purpose behind such provisions. That Act changed the start date for daylight saving time in America from the first Sunday in April to the second Sunday in March—three weeks earlier—and changed the end date in autumn from the last Sunday in October to the first Sunday in November.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): The hon. Gentleman mentions the time of change in respect of daylight. Currently, the change happens on the last Sunday in October and the last Sunday in March, which is seven weeks before midwinter and 15 weeks after midwinter, respectively. Does he agree that a more balanced time, either side of midwinter, might be advantageous to everybody of all shades in this debate?

Mr. Kidney: I thank the hon. Gentleman for that helpful intervention. As a member of the European Union, we change our clocks at a time agreed with the rest of Europe, albeit that it is mostly in a different time zone. Co-ordinated action would be required to make the change, and I am open-minded about that, but my argument today is about single/double summer time only.

I want to pursue the point about energy saving in America. When it passed the 2005 Act, it charged the Department with evaluating the change to discover whether there were energy savings. The change was made in 2007, and the Department of Energy produced its first report to Congress in October 2008. It confirms that extended daylight saving time has resulted in a further saving in electricity, and states:

"The total electricity savings of Extended Daylight Saving Time"

just the extra four weeks—

"were about 1.3 Tera Watt-hour...This corresponds to 0.5 percent per each day of Extended Daylight Saving Time".

That is a significant saving.

A point to balance the argument is that the Department of Energy's report explains:

"During Extended Daylight Saving Time, electricity savings generally occurred over a three- to five-hour period in the evening with small increases in usage during the early morning hours."

The crucial point is that because it is darker in the mornings, energy consumption rises a little, but because it is lighter in the evenings, energy consumption overall noticeably falls. That is relevant in this country, because those of us who are keen on the change to single/double summer time asked for evidence of energy saving. Elizabeth Garnsey of Cambridge university has done some research on that, and concludes that there would be savings in energy consumption in this country and reductions in carbon emissions if we moved to single/double summertime. She makes the point that one reason for the savings is that during the evening peak between 1600 and 2100 hours, virtually all our energy production is thrown into meeting that peak, and that includes this country's most expensive and most carbon-emitting sources of energy. Anything we can do to flatten the evening peak would produce savings. Elizabeth Garnsey concludes that there would be a saving of about 2 per cent. of electricity usage during the year and a reduction in carbon emissions of about 1.2 million tonnes.

Anyone who has seen the recent first report from the new Committee on Climate Change about how we will achieve an 80 per cent. reduction in carbon emissions by 2050 knows that that is a great challenge. To have a

[Mr. Kidney]

starting point of saving 1.2 million tonnes of carbon emissions simply by changing the clocks is not to be sniffed at. Energy saving is a dominant reason for changing our clocks to a different scale.

Another reason, which is particularly important when the Minister responding is from the Department for Business, Enterprise and Regulatory Reform, is the jobs boost for the tourism industry. Tourism has developed enormously and now generates revenue of about £85 billion a year, and is one of our biggest employers, directly responsible for 1.4 million jobs for one in every 20 people in work in this country. It would flourish even more if evenings were lighter so that attractions could stay open later.

Research by the Policy Studies Institute in October 2008 forecast an increase in earnings of between £2.5 billion and £3.5 billion a year, and up to between 60,000 and 80,000 new jobs in tourism. Those statistics are incredibly important for this debate, and I am fortified in saying that that is a good reason to make the change by the strong response from that sector to today's debate. For example, the Tourism Alliance, which represents 50 tourism industry organisations and some 200,000 businesses of all sizes throughout the United Kingdom, strongly supports the change, and says:

"Considering the poor economic climate and the size and scale of the UK's tourism industry, we consider a move to Daylight Saving to be an excellent initiative for providing growth over the next few years."

I shall not read out the 50 members of the alliance, but I draw attention to the Association of British Travel Agents, the Association of Leading Visitor Attractions, the British Association of Leisure Parks, Piers and Attractions, the British Beer and Pub Association, the British Hospitality Association, the British Holiday and Home Parks Association, the Confederation of British Industry, the Confederation of Passenger Transport UK and the National Trust. They are significant players in tourism in this country, as are the Heart of England tourist board, which covers the area of the country that I represent in the west midlands, and the associate members of the Tourism Alliance, including the Local Government Association and Visit Britain. That is a substantial body of opinion.

Mr. MacNeil: The hon. Gentleman is making a powerful argument. I do not fully agree with it, but it has some merits. Does he agree that a move to a winter period that is perhaps five weeks either side of midwinter might go some way towards achieving what he is calling for, while recognising that if he gets his way and moves us to European time all year round, there would be practical difficulties for people living in certain latitudes? In areas north of Manchester, sunrise this morning would have been at 9.23.

Mr. Kidney: Again, the hon. Gentleman makes the point about changing the time when we put the clocks forwards and backwards. It is a valuable point, and I am sure that the Minister heard it. I was interested to hear the hon. Gentleman say that he has some reservations, rather than complete reservations. There is a traditional view in this place that Scotland opposes changes to the clocks, and he makes it clear that he has an open mind, even if he has some reservations.

I do not minimise the fact that it would be darker in the mornings if we made the changes, and measures would be required to address the dangers, particularly for children going to school in the dark and people travelling to work in the dark. I do not minimise those issues, but I want to drive home the point that there are jobs to be had and earnings to be made in this country if we change the clocks as I suggest.

I have also received support from the British Resorts and Destinations Association, which represents some 60 local authorities with major coastal tourism interests in England and Northern Ireland, the trade association for the Heritage and Tourist Railways in the UK, which represents nearly 100 members, the Heritage Railways Association, the Business Visits and Events Partnership, which represents the interests of more than 20 organisations and associations in the conference, meetings, exhibitions, corporate hospitality, cultural, leisure and sporting festival sectors. Those sectors represent £22 billion to the UK economy and visitor spend, and account for 28 per cent. of all inbound visits to Britain. Furthermore, more than £100 billion of trade is transacted at business events in the United Kingdom. That is a powerful voice for the change. All those organisations support my argument.

A third argument, in addition to energy savings and jobs in tourism, is a reduction in the carnage on our roads. When we had an experiment in this country for three years between 1968 and 1971 with British summer time all year round, there were 2,000 fewer deaths and serious injuries on the roads. Since then, the Transport Research Laboratory has updated the figures for its estimate of today's savings if we adopted single/double summer time. The last published report from the TRL on that subject was in 2004 and said that deaths would be reduced by adopting single/double summer time in the whole of the United Kingdom by between 104 and 134, and that there would be 400 fewer serious injuries on our roads.

This week, I asked TRL to confirm that that figure is still relevant, and it is not. Because of improvement in reducing road casualties since 2004, it estimates that today there would be 82 fewer fatal casualties per year on the roads, and 202 fewer serious casualties. Those figures do not come from a published report, so there may be some question about them, but even with those lower figures, and six years after I chaired the Parliamentary Advisory Council for Transport Safety, I cannot think of another single initiative on road safety that would save as many as 82 lives every year. There is a very powerful argument for saving lives on our roads every year by making this change.

Other people argue that the change would help in the battle against obesity. On the radio this morning, I heard the chief medical officer describing obesity as a "national crisis". He recommends that there should be more attention to the issue of breastfeeding babies, more information about the nutrition of the food that we consume and more support for cooking. All those are beyond the remit of this debate, but he moved on to say that people should get more regular physical exercise, and one argument for lighter evenings is that people would have time to stroll in the light, to go out, to play sport in outdoor arenas and to get the regular exercise that they do not get at present. There is a very strong public health argument for having lighter evenings in this country to help with that national crisis.

Some people argue that elderly people feel more vulnerable after dusk each day and are fearful of going out of their homes, so lighter evenings would give them the reassurance that they could go out at night. That is why Age Concern and most police forces also support the case for lighter evenings.

As I mentioned, back in 1968 this country undertook a trial of having British summer time all year round. That is not my proposal today, although it has the advantage of not having to fiddle with the clocks twice a year. Nevertheless, there was an experiment for three years.

Mr. MacNeil: The experiment in 1968 to 1971 was BST all year round. The hon. Gentleman is not suggesting that; he is suggesting a move to European time. Again, I ask for consideration of a shorter winter period. We live at a certain latitude and we will have shorter days, but his argument might be more palatable in certain areas if it was proved on an incremental basis. I do not see the logic of seven weeks before midwinter and 15 weeks after it, which is 22 weeks of the year under Greenwich mean time. We perhaps would be able to move to five weeks before and five weeks after and have that period of wintertime. I ask the hon. Gentleman to think of supporting that and getting European directives to change, because after all it is only a European directive.

Mr. Kidney: I agree with the hon. Gentleman that we should take things a step at a time. I have said to him that my answer is not no in respect of when we put the clocks forward and back in this country, and I have explained that there is an issue about doing the same as the rest of Europe if we were to go down that road. My point is that we had an experiment for three years, from 1968 to 1971. Why do we not have a three-year experiment of single/double summer time in this country now to see whether I am right in saying that we would make savings on energy and carbon emissions, create more jobs in tourism and save lives on our roads? It is quite a compelling argument.

If we think back to 1968, those were the days of cheap energy, so people did not even ask for an evaluation of whether there were energy savings, but I am pretty certain from the evidence that I have cited that there would be today. Back then, the tourism industry did not have the significance that it has today. There is a much more powerful case now. With regard to the argument about road safety, it was ridiculous that Parliament made its decision to abandon the trial before it had evaluated what had happened on the roads. It never took into account the fact that 100 lives a year could be saved. Give us the chance of showing over three years that this change would make a difference, because I think that it would be quite significant.

This is a minor point to me, but the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil) kept mentioning European time. If we adopted single/double summer time, we would be in the same time zone as Europe, which is convenient for transacting business, I suppose. If we started next year with the three-year experiment, it would cover the period of the Olympics being held in the United Kingdom. Considering the boost in tourism in this country during the Olympics that we are hoping for, it would be an added bonus if we were to do the experiment now.

I am interested to know whether the Minister is at all enthused and would give a lead to the country on such an experiment.

5.4 pm

The Minister for Trade, Investment and Consumer Affairs (Mr. Gareth Thomas): I welcome the chance to respond to the debate on this topic. I congratulate my hon. Friend the Member for Stafford (Mr. Kidney) on securing it and on the way in which he launched it. I recognise that he is a considerable enthusiast on the issue. He sponsored the Lighter Evenings (Experiment) Bill and makes the case for a shift to single/double summer time. I recognise, too, his advocacy of Ministers reading the "Saving the Daylight" book. I will happily bring that to the attention again of my right hon. Friend the Minister for Employment Relations and Postal Affairs. I have noted, in listening to my hon. Friend's remarks, the considerable history of Stafford Members in this area. I have also noticed the burgeoning alliance between the people of Stafford and the people of the highlands of Scotland. Again, I will certainly draw that point to my right hon. Friend's attention.

I suspect that my hon. Friend will not be surprised by some of the less positive, from his perspective, comments that I shall place on the record, but I hope that I can offer him a chink of optimism for the future. He will know that the issue that we are debating now has been debated many times in the past and it will no doubt be the subject of many lively debates in the future. It often comes to the fore in the run-up to the clocks going back each year. On 29 March next year, the clocks will once again go forward, and many people will be looking forward to that change. However, opinion remains divided: some people prefer lighter mornings and some prefer lighter evenings. In reality, we will not be able to please everybody.

We need to look back, as hon. Members have sought to do, at the evidential case for change and to recognise that the British people will have opinions on this question and, indeed, have demonstrated their opinions. The most recent poll, by YouGov for *The Daily Telegraph* two years ago, asked voters whether Britain should operate double summer time as, it was claimed, that would mean longer evenings, save lives, reduce energy consumption and align Britain with its continental neighbours—all points that my hon. Friend the Member for Stafford made in advancing his case. Unsurprisingly, that sounded a pretty attractive proposition, so a majority of people in the poll, except in Scotland, were in favour of switching to double summer time. I suspect that if the question had been couched in different terms and had proposed darker mornings, the result would have been slightly different.

Mr. MacNeil: Just to support the Minister's point, I would like to inform him that I was on the Nicky Campbell show on Radio 5 recently, when Jersey was having its vote a month or two ago, and the Jersey politician who was on with me was in favour of the change to European time because he wanted more light in the morning. Of course, the change that he was supporting would have achieved the exact opposite.

May I put a supplementary question to the Minister? Can he give any explanation—I have asked this question and searched for the answer many times—why we have

[Mr. MacNeil]

asymmetrical periods around midwinter? Why is it seven weeks before midwinter and 15 weeks after it? I will not be surprised if he does not have the answer, because it is hard to find.

Mr. Thomas: I am very interested in the hon. Gentleman's performance in the media. I was not entirely sure whether he was supporting the Government's position and moving away from the people of Stafford on this question. I will have to take away his question and see whether the Minister for Employment Relations and Postal Affairs, who leads in this area for the Department, wishes to respond to him once he has read the book that my hon. Friend the Member for Stafford mentioned.

Let me return to the issue of the British standard time experiment, to which my hon. Friend referred. From 27 October 1968 through to 31 October 1971, we experimented with darker winter mornings, harmonising British clocks with those of other western European countries. The consultations that took place in the run up to that decision revealed a considerable divergence of opinion between the majority in England and Wales, who favoured British standard time all year round, and those in Scotland and the north of England who were opposed.

My hon. Friend will be aware that a review of the experiment found it impossible to quantify a great many of the more important advantages and disadvantages of British standard time. He may be aware also that practical objections were raised by the farming and construction industries, and by others involved in outdoor work, such as road maintenance workers, postal workers and dairy workers—particularly those in the north of England and Scotland, who were caused discomfort and inconvenience because of the late sunrise in winter and who could not change their working hours because of the public demand for early services.

As a result of deliberations in Parliament, there was a free vote in 1970, and the experiment was abandoned in the autumn of 1971. Although there may have been some positive benefits with the road accident rate, another factor referred to by my hon. Friend, the House voted by a decisive margin—366 to 81—to revert to the current arrangements.

My hon. Friend alluded to the experiment in Portugal. Again, there was a change to central European time in 1992, but the Portuguese reverted to GMT in 1996 because of the substantial disturbances for the population. The Government's new ally, the hon. Member for the Highlands—

Mr. MacNeil: It is Na h-Eileanan an Iar.

Mr. Thomas: I hope that the hon. Gentleman will forgive me for not naming his constituency. He rightly raised the question of Jersey, where a referendum was held on the question of adopting central European time. Again, there was a decisive vote against.

Numerous studies have been made on the particular factors to do with energy savings and climate change upon which my hon. Friend based his case. I note the particular example of the recent United States Department of Energy statistics, which is interesting, as is the recent Cambridge university paper. My hon. Friend may be aware of other surveys, including the Building Research Establishment study of 2005, which suggested that a change would lead to an increase in energy consumption in buildings in the UK rather than realising savings. Although the Cambridge university paper argued that there would be a small saving in the use of electricity, it did not refer to any other modes of energy delivery.

Mr. Kidney: My hon. Friend ought to know that the BRE study has been comprehensively discredited. Where is the leadership from Government? This is an option that will create jobs, has virtually no capital cost and requires no Government borrowing, and it comes at a time of serious and worrying economic news in our country and around the world. Where is the leadership? Rather than waiting for the opinion polls and the surveys to satisfy them that everyone is in favour, why do the Government not set the mood of the country? They should do it because it is important, rather than waiting for someone else to tell them that it is a good idea.

Mr. Thomas: My hon. Friend will know from the pre-Budget report and various other statements that if there is a decisive case for change, the Government will move. At this stage, we remain unconvinced of the case for change. I have given him some sense of our concerns on energy consumption. He pointed to one study from the US. It is the most recent. However, other studies suggest that the level of change would not be significant.

I recognise that there is an argument for change for the tourism and leisure industry, and my hon. Friend prayed in aid support from a considerable number of the relevant industry bodies. However, we remain less convinced of the case on road safety grounds. When one compares casualty rates at different times of the day and at different times of the year, there is surprisingly little difference between the summer and winter months. I therefore suggest to my hon. Friend that the case for change based on road safety is not as strong as he suggested.

I know that my hon. Friend has met colleagues in other Departments. We do not think that there is a case for change. If my hon. Friend has evidence, we will be happy to hear it—

5.15 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Thursday 18 December 2008

[ROBERT KEY *in the Chair*]

Human Rights

[Relevant documents: Human Rights Annual Report 2007—Ninth Report from the Foreign Affairs Committee, Session 2007-08, HC 533, and the Government response, Cm. 7463.]

Motion made, and Question proposed, That the sitting be now adjourned.—(*Helen Goodman.*)

2.30 pm

Mike Gapes (Ilford, South) (Lab/Co-op): I am delighted to be here before you today, Mr. Key, and I wish you and all the staff of the House a merry Christmas.

Let me start by drawing attention to the report that the Select Committee on Foreign Affairs published in July and the Government response that was published in September. I intend to set out the scope of our report, which is very wide-ranging, as you know, Mr. Key, and to discuss the Government response, which is welcome in relation to some areas. In other areas, however, the Government have said explicitly that they do not accept the Committee's recommendations and conclusions, and I shall inevitably focus most of my remarks on areas where there is continuing disagreement. I thank the Foreign and Commonwealth Office and its officials for its consistent co-operation with our Committee on all our reports, but particularly these detailed and complex human rights annual reports.

We seem to debate this subject every year. That is within the gift of the Select Committee on Liaison, but in recent years, we have had several debates on human rights matters following our Committee's report. In last year's debate, I discussed the changes that the Foreign and Commonwealth Office had proposed to its annual human rights report to make it "more tightly focused". Our Committee expressed its hope that that would not be a means of hiding more controversial policies on human rights. However, I am pleased to say that the changes have been welcome and have produced an improved report that is more concise and covers a full calendar year.

The Government have implemented our recommendation that work on human rights should be integrated into their strategic priorities. The 2007 report described the interaction of human rights concerns with the FCO's four strategic policy goals, and we welcome that.

This year's report welcomes the Government's decision to split the ministerial responsibilities for human rights and trade within the FCO. We had been asking for that to happen for two years because one Minister was covering both areas for a time, and we were concerned that that sent the wrong signals to some countries. Although we were happy with the performance of that particular Minister, my right hon. Friend the Member for Makerfield (Mr. McCartney), we nevertheless felt strongly that there should be a separation, within the FCO, between the Minister with responsibility for trade, who was also in the Department of Trade and Industry—now the Department for Business, Enterprise and Regulatory Reform—and the Minister with responsibility for human rights. The separation of those posts, in the June 2007 reshuffle, was welcome, as there should now be no potential perception of a conflict of interests. That is important, and we hope that the separation will remain.

We have considered a number of overall themes and individual countries. On overall themes, our report criticised the lack of prominence in the FCO's 2007 report on women's rights and children, as well as the inadequate work on the promotion of democracy. In their reply, the Government have agreed

"to better explain how these issues have been factored into the Government's overall strategy".

I hope that that will be the case, and that the Minister will commit to giving greater prominence to women, children and the promotion of democracy in the Department's next report.

As in previous years, we have looked closely at what has been happening with the United Nations system. The move, a few years ago, from having a Commission on Human Rights to having a Human Rights Council unfortunately has not led to a particularly improved performance within the UN system. That is disappointing and this issue has been controversial. We have noted that the UK has voted against seven of the 10 resolutions in this year's FCO annual human rights report, and has abstained on the other three. That is because the way in which the UN system looks at human rights issues is not balanced, and has failed to address human rights abuses in significant regions and countries in the world. In my view, it has focused overly on the Israeli-Palestinian issue, but has not concentrated on or referred to human rights abuses in other regions and countries. That is damaging to the UN's reputation and credibility.

If we have a universal declaration on human rights—we are celebrating its 60th anniversary this year—the Human Rights Council should be universal in its approach to human rights issues, but it clearly is not doing that at the moment. Will the Minister update us as to how the Government intend to press for a more balanced approach on these matters within the UN system?

The Committee has looked at terrorism for several years, both in this report and in specific reports on other issues. Examples include our report "Foreign Policy Aspects of the War Against Terrorism" and reports on the situation in the middle east, Iran and other areas. This report also discusses issues of terrorism and measures to prevent terrorism. We feel strongly that the Government should act to ensure that no flights

"that enter UK airspace or land at UK airports"

are part of what has become known as the "rendition circuit". Unfortunately, the Government rejected that recommendation in their response.

We have also expressed concerns about the US Government trying former British residents at Guantanamo Bay under the Military Commissions Act of 2006. We recommended that the UK Government should press for the return of Binyam Mohamed and Shaker Aamer from Guantanamo Bay to this country. We understand, from the FCO's response, that the Government are doing so for Mr. Mohamed, but they seem to have given up in the case of Mr. Aamer. What further representations have the Government made about Mr. Mohamed, particularly in light of the US authorities' decision to

[Mike Gapes]

drop charges against him following the resignation of the original prosecutor on what he said were ethical grounds?

Clearly, there will be a change in US policy on Guantanamo Bay with the change of Administration. President-elect Obama is reported to have made statements about closing Guantanamo within two years. I am interested to know from the Minister how the British Government see their role in facilitating its closure and how other countries in Europe and around the world can assist in that process. As the Committee pointed out in our 2007 report, following our visit to Guantanamo Bay in September 2006, it is all very well to call for the closure of Guantanamo, but there are several hundred people there, some of whom are very dangerous and will need to be dealt with in a different way through a legal process, rather than simply being released into wider global society.

Mr. Edward Davey (Kingston and Surbiton) (LD): On that point, the hon. Gentleman may not be aware of this, but one of my constituents was detained at Guantanamo Bay for four-and-a-half years, and, on my trips to Washington, in meetings at the State Department and the Pentagon amid efforts to try to secure his release, it was made absolutely clear that the Americans would like Britain, Europe and the rest of the world to assist them with their difficulties in closing Guantanamo Bay, in terms of processes and of taking those detainees who cannot be returned to their country of origin. I support the hon. Gentleman and his Committee in trying to push the Government to assist the new Administration in Washington in closing Guantanamo Bay and in ending what is a stain on American legal history.

Mike Gapes: I am grateful for that support. Our Committee has shown a close interest in those matters, and, in assessing the changes that might be needed to the Geneva conventions, we have also tried to indicate that this is not a simple question, because people who are caught up in a conflict but do not wear uniforms and are not part of a state's army pose difficult challenges to the international legal regime. The whole world must consider the issue, and not just say that it is the responsibility of the United States. We, as Europeans, can make a bigger contribution than we currently make to assist in the closure of Guantanamo Bay.

An article published in the *International Herald Tribune* on 5 December pointed out that even when Guantanamo Bay is closed, there will still be the question of how the world deals with radical jihadist terrorists. Those individuals will still exist and they will need to be dealt with in some legal detention regime, otherwise they will continue to pose a threat to many societies in many countries. As we have seen from the recent events in Mumbai, the bombings in Islamabad, Bali, Tunisia and various European capitals, including London and Madrid, and the attacks elsewhere in the world, this is a global threat and a global challenge, affecting people on all continents, in all communities and of all faiths.

Jeremy Corbyn (Islington, North) (Lab): Surely it is not Europe's responsibility to close down Guantanamo Bay, but solely a decision that the United States must take. The people in Guantanamo Bay could not face trial under any European standard, simply because any evidence that they offered would have been completely contaminated by the length of time that they had been there, and extracted under torture, anyway.

Mike Gapes: I said that we need to give assistance—to help. In fact, paragraph 77 of the Committee's report states:

> "We conclude that the European Union can and must do more to help the United States in bringing about the overdue closure of the detention facilities at Guantánamo Bay."

It is a US decision, but, from my own visit to Guantanamo in 2006, I know that there were people there whom the US wished to send back to certain countries, and that many countries were not prepared to take them. If those Uighurs had been sent back to China, they would certainly not have been treated very well, and they probably would have been executed. Some of them ended up in Albania, and, therefore, the question is what we do with the people who are released, some of whom will not safely be able to return to their country of origin.

We also expressed a lot of concern about torture, and we welcomed the fact that the Foreign Secretary made it clear that he considers, and therefore the Government consider, water-boarding to be torture. But that, of course, is not the current US Administration's view. We therefore concluded that US assurances that it does not torture "cannot be relied upon", and recommended that the Government analyse whether the US uses additional techniques that might be considered to be torture. In the Government's response, they declined to do so, saying that such an analysis "would not be meaningful". I should be grateful for clarification as to whether the Government still regard water-boarding to be a form of torture and, if so, what representations we are making both to the US about torture by its current Administration, and, in other contexts, internationally.

Mr. Andrew Dismore (Hendon) (Lab): My hon. Friend might like also to pray in aid the evidence that the then Policing Minister, my right hon. Friend the Member for Harrow, East (Mr. McNulty), gave to my Committee, when he made it absolutely clear that, as far as he was concerned, water-boarding was torture.

Mike Gapes: I accept that various Ministers have said that water-boarding is torture, and the logical corollary is, therefore, that the United States practises a form of torture. If it does, assurances that it does not are questionable, at least, and, as we have said, probably "cannot be relied upon". That is an issue for the Government, and we hope that the matter can be resolved through the change in Administration in the United States, but, until such change happens, there will be a problem.

The Select Committee also addressed our Government's record on the question of torture, and, although I shall not have time to go into the issue, we commented on the practice of seeking diplomatic assurances from countries to which the Government seek to return individuals. The Government recently suffered two court case defeats on the matter, one in relation to Abu Qatada, and another in relation to two Libyan men. We commented also on the fact that the Government intervened in and

lost the case of Saadi v. Italy, which was before the European Court of Human Rights. The Government argued that the risk of harm to the individuals should have been balanced against the danger that they posed, but the court came down on the other side. We, as a Committee, were critical and questioned whether the Government's position in that case amounted to trying to water down the anti-torture commitments that the UK has rightly held for many years.

Our report also addressed concerns about the claims that interrogation techniques were being outsourced to other countries, and we considered allegations relating to British nationals detained in Pakistan. Although the Government denied that they outsource torture, they undertook in their response to investigate the allegations. Our report recommended that there be clarification of the consular and non-consular access that is provided to people known as mono-nationals or dual nationals in Pakistani custody, because some people detained in Pakistan have both British and Pakistani nationality, and it complicates the situation somewhat. The Government reply stated that, in Pakistan, consular access is sought for all mono-national British citizens, but not for dual UK-Pakistan nationals, other than when there are "special humanitarian reasons". Clearly, that could cover many cases, and it might be helpful to clarify the circumstances in which humanitarian reasons would be invoked to seek access to people who have both British and Pakistani nationality. The Government have commented neither on that issue nor on whether the evidence that the Pakistani authorities garner will be used for further investigations or charges in the UK.

The issue is topical, given that we know that the people responsible for the terrorist outrages in Mumbai were based in Pakistan and associated with terrorist groups that have also carried out terrorist actions against the Pakistani Government and killed people in Islamabad and elsewhere. The Prime Minister in his statement earlier this week talked about the need for co-operation between the Indian and Pakistani Governments to combat terrorism, and the UK has offered to help both Governments. If we do so, we must know the basis on which people are interrogated, and the basis on which there is access for British or part-British—joint British-Pakistani—nationals who might be detained in that context. Those questions raise wide issues, and if we believe that 75 per cent. of all the terrorist plots in this country originate in Pakistan, they are clearly not minor questions and will be on the agenda for a considerable time.

The Committee dealt with a number of other general issues, one of which was our continuing pressure on the Government about the fact that despite the Green Paper published by my right hon. Friend the Justice Secretary in 2002 when he was Foreign Secretary, and despite the support of the Committee and others for legislation to regulate private security firms, no such legislation has been forthcoming. I had hoped that the Queen's Speech would include an announcement of it. I understand that the Foreign Office is very keen to have such legislation, and I suspect that the opposition to it is coming not from within the FCO but from the Ministry of Defence. I would be grateful for clarification from the Minister of whether the Government remain committed to legislating on private security companies, and whether it might be introduced as one of the "other measures" mentioned in the Queen's Speech, even though it was not explicitly referred to.

I wish also to draw attention to the fact that there are ongoing allegations about how some private security firms, including the US firm Blackwater, operate in Iraq. The announcement has just been made of a pending British withdrawal from Iraq, but there will presumably be private security companies operating there, which will employ British citizens, who are not necessarily subject to regulation or control by any international law or regime, or perhaps to any status of forces agreement about residual UK or US presence in Iraq. I would be grateful for clarification of that, as it seems that there is a lacuna in the terms of control and regulation. Many of the individuals involved are ex-military or ex-special services, yet somehow we do not have a mechanism for dealing with them. They provide protection to businesses, high-ranking officials and sometimes embassies, and if there is no clarity about the control and regulation of their organisations, there is a real danger.

Mr. Davey: May I add to the hon. Gentleman's powerful point by saying that the UK taxpayer has spent nearly £250 million on private military and security companies in Iraq and Afghanistan to date? The need for greater transparency and regulation is therefore even greater.

Mike Gapes: That is true; there is a public interest in that. There is also a Government commitment, through the Green Paper from 2002. Nearly seven years on, where is the legislation? We need to move on that.

There are some wider issues that I shall not go into in detail. We have just launched an inquiry on global security proliferation, and we are examining weapons issues. In the most recent report, we mention the arms trade treaty, arguing that conventional arms should be included and that the scope of the treaty should be as wide as possible. We were told that the Government would press for that, but that they would not necessarily deal with all the issues to do with conventional arms. I would be grateful for clarification of where the Government see the arms trade treaty as being at the moment, and we will return to the matter in the coming months when we produce our report on proliferation. We will visit Geneva and Vienna in January to consider those issues among others.

Another global matter that I wish to touch on briefly is the International Criminal Court, which is now functioning well. We have seen the arrest of Radovan Karadzic, from the Bosnian conflict, which was an important signal. However, there are still outstanding issues, such as the role of Mr. Joseph Kony and the Lord's Resistance Army in Uganda. There ar also the complications with regard to President Bashir of Sudan and other people who might be referred to the ICC. One of the big problems is that although the US and the Security Council did not block the reference of Sudan to the ICC, the US and other countries are yet to accede to the Rome statute. There is a clear need for us to press that issue. Hopefully President-elect Obama, given his legal background and his knowledge of international law and international relations, will change the American approach on such things. I would be interested to know what our Government are doing to press those points.

[Mike Gapes]

I wish briefly to mention a number of individual countries referred to in the report, although not all of them, as the agenda is inevitably selective. In a report that we published earlier this year, we examined in depth the human rights and political situation in Iran. That is also mentioned in our human rights report. From recent discussions that I have had with representatives of the Baha'i community, I understand that human rights issues are getting worse for them, with more persecution and more arrests.

Iran has the most executions in the world except for China, and I believe the highest of all per capita. There is also hanging by strangulation, public stoning, flogging and amputation, which are not just part of the criminal code but were justified to us when we met Mr. Larijani, the head of the Iranian Government's human rights commission. Since 2006, there have been a number of high-profile cases, including the punishment of same-sex relationships by death and discrimination and violence against women. Human rights in Iran should not be treated as a secondary issue. Although it is important to emphasise the continuing breath of the non-proliferation treaty through the Iranians' enrichment programme and other nuclear-related matters, it is important that we recognise that the human rights situation is very poor for many millions of Iranians.

We touched also on the human rights situation in Burma. When we produced our report, there had recently been the devastation of Cyclone Nargis and the inadequate initial response by the Burmese Government authorities. We know that the British Government have tried hard to get the issue on the UN Security Council agenda and found it difficult because of the attitudes of some other countries. I would be grateful for an update on what action might be taken under the broad agenda of our responsibility to protect and the appalling human rights situation in Burma.

On China, our report was published just before the Beijing Olympics and there was inevitably a focus on that. We had an evidence session with the Dalai Lama, which was very well received by British people but did not go down so well with the Chinese Government. I would be grateful for an update on the Government's position on what is happening in Tibet and the fact that the talks, which were renewed around the time of the Olympics, seemed to hit a brick wall in September. The Dalai Lama's call not for independence but for a third way of genuine autonomy has been blocked and rejected by the Chinese authorities.

I know that the Minister expects me to ask about the Government's recent change of position in respect of Tibet and their statement that we would no longer use the word "suzerainty". That has caused concern among some lobby groups and non-governmental organisations, who interpret it as a change of approach to Tibet. I would be grateful for a clarification of what it means in practice in respect of human rights concerns and our support for autonomy within Tibet.

Mr. Davey: On that point, is the hon. Gentleman aware of any concessions that the British Government have secured from the Chinese Government for the change in their position?

Mike Gapes: No, I am not. Perhaps the Minister could respond to that question when she winds up.

I have mentioned the Government's statement on Iraq. We raised concerns about the people who were employees of the British Government in Iraq and who at present are required to become refugees outside Iraq before they can apply for the gateway programme to get into the UK. Many people have had to flee Iraq and may be in Syria or Jordan. There is the question of whether we are doing enough to assist people who have worked closely with us—not just interpreters, but others. The lives of some of those brave individuals were, and probably still are, threatened by some of the extreme radical Sadrist or Ba'athist groups which remain in Iraq, despite the welcome political progress that has been made.

I welcomed the Prime Minister's statement about the timetable for withdrawal. I am still convinced that it was right to liberate Iraq from the fascist regime of Saddam Hussein, but there are issues that need to be addressed, and I hope that the Government will do so.

The report touches on human rights in Russia. Last year, we published a major report, "Global Security: Russia". Clearly, there are human rights concerns in respect of that country. When he took office, President Medvedev talked about having a law-based system, but there does not seem to be much evidence of change in some important respects.

The UK has concerns about human rights matters that have affected British citizens and Russians alike. This is not the time to go into the outstanding disputes over the British Council, the murder on London streets of a British citizen, Mr. Litvinenko, by polonium, or other issues, but it is important that we register the fact that there are important human rights issues in respect of Russia.

The regular six-monthly European Union-Russia human rights consultation took place in October. I would be grateful for clarification of the outcome of it, where we are today, and whether there has been any progress at all. The EU has just announced that it is opening negotiations with Russia on a renewed partnership and co-operation agreement. The Committee was rather sceptical in its 2007 report about whether it was worth the candle because of all the outstanding difficulties, but the British and Swedish Governments made a joint statement and the position changed. Clearly, it is important that we do not just have the noble Lord Mandelson going to Moscow to talk about improved trade. We also need the Foreign Office Ministers responsible for human rights to go there to talk about human rights matters. It is important that we can keep human rights issues in Russia high on the agenda.

On Saudi Arabia, I have to say that I am disappointed by the Government's response to our report. Saudi Arabia may be a major partner and ally, there may be the two kingdoms dialogue, we may have lots of exports to Saudi Arabia, and the western world may rely on its oil, but let us be frank: its treatment of women is deplorable. It has an appalling human rights record—one of the worst in the world—and there is no point in beating about the bush. Progress is incredibly slow on such matters.

The Foreign Office told the Committee that the Saudis executed 158 people in 2007, and Amnesty International told us that most executions are done in public, including

that of a 15-year-old boy who was executed in 2007, and that the country even carries out executions for witchcraft. Saudi Arabia seems to be 600 or 700 years—or perhaps 400 years—behind the rest of the world in some respects. Frankly, if we have global human rights standards, we need to be more outspoken.

We recommended that the Government's current policy of assisting with gradual reform is inadequate and that the two kingdoms dialogue should explicitly address matters such as the death penalty. We recommended that measurable, time-limited objectives should be part of the dialogue. We suggested that the Foreign Secretary could write to us in confidence on the matter if he wished to give us information that he did not wish to make public for diplomatic reasons. The Government have rejected all those recommendations, and I am very disappointed.

We were concerned that the Government's report failed to pay sufficient attention to the appalling human rights crisis in Somalia. I am pleased that the Government have accepted our recommendation and that next year's report will have a significant section on Somalia. Clearly, we need to address not just the situation in Somalia itself but also the regional impact, and the fact that there are still Ethiopian troops in Somalia two years later. I was told by the Ethiopian ambassador when they first went in that they would be there for only six weeks. Clearly, there is now a serious situation in that country.

On our recent visit to the UN, we were told that there are still insufficient helicopters and engineering resources for the UN peacekeeping force in Sudan, and we hope that the Government will look again at assisting in that area. We are disappointed that so far there does not appear to be a stronger commitment in material terms. This is perhaps not an issue for the Foreign Office; it is more a question for the Ministry of Defence. Nevertheless, we could be doing more to help the African Union hybrid force in that area, and the people in Sudan and Darfur. Sudan is a major country with the potential to have an impact on conflicts around its borders.

Jeremy Corbyn: Will my hon. Friend's Committee be able to deal in some depth with the situation in the Congo in next year's report, particularly as two of the themes appear to be the treatment of women and the treatment of children, both of which are of massive importance, particularly in eastern Democratic Republic of the Congo?

Mike Gapes: I accept that our Committee did not cover the Congo. We tend to comment on the FCO's report. We look at the areas that it deals with and then mention other areas that it did not cover for future consideration. I hope that the Congo will be pushed up the international agenda by our Committee and by the FCO.

Clearly, we are concerned about the situation in Zimbabwe, which has become much worse since our report was published and since the Government's response was published in September. There is a crisis in that country. Many people have had to leave to go to South Africa and elsewhere, and there is a catastrophic cholera outbreak which, of course, is no longer happening, according to Robert Mugabe.

We all know that the real solution is that the democratically elected Government should be able to take power, but that requires South Africa in particular and also other countries in the region to be more active and to apply more pressure. The international community as a whole must help to deal with that appalling situation, and with the humanitarian disaster that is occurring in that once peaceful, prosperous and agriculturally productive country.

I should like briefly to mention three countries that we did not refer to in the report, but I flag these up because there is concern about them and we in the UK need to consider that. All three countries are Commonwealth countries and former British colonies in Asia. The first is Sri Lanka, although because there is an Adjournment debate on the situation there in the main Chamber later, I will not speak about it in detail now.

Many Sri Lankans—mainly, but not only, Tamils—live in this country. There is deep concern about what is currently happening in Sri Lanka in respect of the conflict between the Liberation Tigers of Tamil Eelam and the central Government. Clearly, the Government view is that they can have a military victory, but there will be consequences as a result of that. As well as the appalling human rights abuses that have been carried out by the LTTE, including using child soldiers in the past, bombing by the Sri Lankan Government has hit schools and medical facilities. Many people have been forced to flee as a result of the military actions taking place in the north of Sri Lanka at this moment.

There is deep concern among the people of Sri Lankan origin in this country. I declare an interest, in this sense, because a large number of Tamils live in my constituency, and whenever I visit the Hindu temple serving that community, people tell me about the appalling situation and show me photographs. There is no doubt that there is not one bad and one good side in that situation. The Sri Lankan Government would argue, no doubt, that they are combating an organisation that carries out terrorist attacks, including blowing up buses and assassinations, which is all true; nevertheless, some appalling things are happening in Sri Lanka.

Secondly, we need to recognise that human rights include the right to freedom of worship. People in Hindu communities in Malaysia are suffering as their temples are being destroyed. The Malaysian Government need to recognise that, although we do not regard Malaysia as a great human rights abuser, there is concern around the world about the situation there. Hopefully, they can take steps to redress that problem.

Thirdly, human rights, women's rights—a topical issue because of the high-profile case of the young trainee doctor—and religious minorities' rights in Bangladesh need to be looked at. A military coup in Bangladesh led to the abolition of what might have been a dysfunctional democratic system, but although large numbers of lawyers and political party activists are being locked up—far more than were locked up by Musharraf in Pakistan—this country does not have a focus on what is happening in Bangladesh. Our Government need to raise the profile of Bangladesh. I hope that we can consider that issue in the coming year.

I am conscious that I cannot speak for the whole of the time available, much as I would like to, so I conclude by making a general point. I have already mentioned

[Mike Gapes]

that this is the 60th anniversary year of the universal declaration of human rights. I believe that there is a real threat to the universal values and the universal system established when the United Nations organisation was first set up before the end of the second world war, with early meetings in 1942 and 1943, meetings in London and San Fransisco, and the setting up of the institutions of the international order 60 years ago.

The world's focus, economically and politically, is shifting from Europe and north America to Asia. Many of the countries that are growing in economic and political importance in this century do not necessarily share the universal human rights approach that was established in the 1940s, when Eleanor Roosevelt and others played such an important role. We need to be vigilant and we must emphasise the importance of those universal human rights values. Whether it is China or Saudi Arabia, or any other country with an important economic weight in the global system, countries have to understand that we will not pull our punches on human rights. Human rights are universal. A young woman in Jedda and a young woman in Shanghai should have the same rights and respect as a young woman in Berlin, London or Chicago. We need to recognise that those universalist values should continue to be at the forefront of our agenda. That is why the human rights annual report from the FCO, initiated by the late Robin Cook in 1997, is welcome and why the Foreign Affairs Committee will continue to monitor the Government's work and press them to do more on these issues. Although we recognise that they do quite a lot, unfortunately not everything that we would wish to see is contained in the response. Perhaps next year they will do better.

3.16 pm

Sir John Stanley (Tonbridge and Malling) (Con): I warmly endorse the final point made by the Chairman of the Committee, the hon. Member for Ilford, South (Mike Gapes). I entirely agree with him and share his concern that the deep fundamental principle of the universality of human rights is being threatened in many parts of the world. It is incumbent on the international community—Governments in particular—to stand up for that principle of universality: the principle that human rights do not have national frontiers.

The 2007 annual report on human rights from the Foreign Office lists a total of 21 countries under the heading "Major countries of concern". As was the case with the Committee Chairman's contribution, I must be necessarily selective. I want to focus on three particular countries, all of which feature in the FCO's list of countries of major concern. I shall start with Zimbabwe. I begin where I finished my remarks on Zimbabwe in the equivalent debate just over a year ago, on 11 October 2007, when I said:

> "Should this country and the Government therefore consider whether the ambit of international criminal law ought to be widened somewhat to bring within it those who carry out outrageous, appalling mass human rights violations that, under the present definitions, fall just below the level of crimes against humanity?...If an individual in this country treated another individual in the way that Mr. Mugabe treats millions of his subjects, it would be a matter for a criminal prosecution".—[*Official Report, Westminster Hall*, 11 October 2007; Vol. 464, c. 148WH.]

There is no doubt that, from a human rights standpoint, the current ambit of international criminal law is seriously deficient. International criminal law, such as it is, is also being applied in an anomalous and inconsistent way. I should like to compare, for example, Mr. Mugabe with Mr. Milosevic. Mr. Mugabe and his regime, like Mr. Milosevic and his regime, have been responsible for an unknown number of unlawful killings. Mr. Mugabe and his regime, like Mr. Milosevic and his regime, have been responsible for police brutality and torture and now we see a wave of abductions. Mr. Mugabe and his regime, like Mr. Milosevic and his regime, have been responsible for removing huge numbers of the citizens for whom they are responsible from their homes and turning them, in huge numbers, into refugees obliged to flee from their country.

Mr. Mugabe, in this case unlike Mr. Milosevic, has been responsible for destroying his country's economy and the value of his country's currency, inflicting destitution and the total breakdown of public services, including education and health, and allowing wholly preventable diseases to occur. Contrary to what Mr. Mugabe is claiming, it is evident that, according to the UN Office for the Co-ordination of Humanitarian Affairs in Geneva this week, nearly 1,000 people have died of cholera in Zimbabwe, and there are nearly 20,000 suspected cases. The contrast is that Milosevic was indicted and taken to The Hague, and he stood trial for crimes against humanity, yet Mugabe has got off scot-free so far and has avoided any international criminal proceedings.

I was delighted that the Archbishop of York, Dr. John Sentamu, in his recent excellent article in *The Observer* headed "It's time to topple the tyrant Mugabe", concluded:

> "As a country cries out for justice, we can no longer be inactive to their call. Mugabe and his henchmen must now take their rightful place in the Hague and answer for their actions. The time to remove them from power has come."

Mr. Dismore: The right hon. Gentleman said that when he spoke about the matter last year, the case against Mugabe was not at the level of a crime against humanity. Does he agree that the powerful case that he is now advancing suggests that it has reached that level? It has been suggested that because Mugabe is approaching his 85th birthday, the International Criminal Court may cease to have jurisdiction. Does he know whether that is so? If it is, will my hon. Friend the Minister respond to that, because it would be news to me. The real issue, as my hon. Friend the Member for Ilford, South (Mike Gapes) said, is the role of South Africa in bringing Mugabe to justice.

Sir John Stanley: I am not aware of any age cut-off for criminal proceedings by the International Criminal Court.

As I said last year, there is a serious requirement to consider the ambit of international criminal law. The situation in Zimbabwe has worsened hugely since our previous debate, just over a year ago. What steps will the Government take, with other Governments, to ensure that Mr. Mugabe is indicted and brought before the International Criminal Court in The Hague?

I come now to Israel and the occupied Palestinian territories. In the debate last year, I referred to the situation in Gaza and the occupied territories, and I have no compunction about doing so again. It is deeply

regrettable that, as in Zimbabwe, the situation is no better, and is markedly worse than a year ago. Gaza is effectively a giant prison in which 1.25 million Palestinians are imprisoned by the Israelis. Indeed, it is worse than any modern, properly run prison, because it is a prison where power supplies may be, and have been, cut off. It is a prison where food supplies may be, and have been, cut off. It is a prison where job opportunities are vanishing almost to the point at which they no longer exist. It is a prison where basic services, such as health and education, are breaking down. It is no good the Israeli Government saying that that is justified on security grounds. That justification does not wash on moral, legal or effective policy grounds. An indisputable historical fact is that no terrorist action or movement has ever been stopped or overcome by a general system of reprisals against the surrounding civilian community. That has never succeeded, and will not succeed in this case.

To make my position clear, I condemn, as strongly as anyone, terrorist action out of Gaza towards the Israeli settlements in southern Israel. It is indefensible, I condemn it utterly, and I fully support the Israeli Government in dealing with it, but terrorism must be countered by targeting the terrorists. Terrorism cannot be countered by a system of reprisals against the general civilian population.

The situation in the west bank is little better, and was extraordinarily well set out in the 2008 report "The State of Human Rights in Israel and the Occupied Territories", which, to its great credit, was produced by the Israeli organisation, the Association for Civil Rights in Israel. An opening paragraph encapsulates absolutely what is going on in the west bank, and states:

"The massive presence of the settlements in the heart of the Occupied Territories and the policies adopted toward them has created a state of institutionalized separation and discrimination as well as a nullification of the principle of equality. In the same territorial area and under the same administration live two populations who are subject to two separate and contrasting legal systems and infrastructure. One population has full civil rights while the other is deprived of those rights. The absolute separation between the populations is purely on the basis of national origin. The settlers' lives, although they live in an area under military rule, are in almost every respect the same as those of Israeli citizens living in Israel. This is in stark contrast with the local population in the same area, the Palestinians, who continue to live under the regime of a military occupation. Thus, for example, a Jew who has committed a crime is entitled to all the rights of an accused under Israeli law, and will be tried before a civil court, whereas a Palestinian who has committed a crime—even during the same event—is subject to much harsher military law and will be tried under the military court system; Israel has built a modern arterial road system in the West Bank intended in fact only for use by Israeli traffic, whereas the Palestinians are forced to travel for the most part on twisting and dangerous roads; the discriminatory use Israel makes of the planning system in the Occupied Territories restricts building and any possibility of expanding Palestinian towns and villages, in contrast with the generous planning flexibility enjoyed by the settlers; the amount of water allocated to the settlements allows them to grow grass and build swimming pools, whereas there are Palestinians who are forced to buy drinking water from tankers."

That sets out accurately and acutely the division of human rights into two in the west bank.

How long will the British Government, as well as most of Europe and certainly the US Government, remain so extraordinarily passive and silent about the absolutely unacceptable position of human rights for Palestinians in Gaza and the occupied territories? The British Government and many others must give an altogether different level of priority to the matter and show a willingness to speak out frankly to the Israeli Government on what they need to do to recover respect in the international community with regard to the treatment of the Palestinian community, while at the same time—I make this absolutely clear—supporting the Israeli Government in trying to deal directly with terrorists or those who are committing atrocities against the state of Israel.

With the Prime Minister's statement today, it is clear that we are coming to the end of our military involvement in Iraq. Quite apart from the call from those on the Opposition Front Bench for a public inquiry on how we came to invade Iraq in the first place, there will be a need for evaluation of the consequences of our invasion and subsequent involvement in that country. I urge the Government to produce, in the course of the next year as our time in Iraq comes to an end, an evaluation of what has been the overall equation with regard to human rights, and to do that evaluation objectively, honestly and impartially.

I was at a NATO Parliamentary Assembly function in Washington at the beginning of this week, and on Monday the hotel where we were staying delivered to me that day's edition of *USA Today*. A report on the front page of President Bush's final visit to Iraq stated:

"After the news conference with Prime Minister Nouri al-Maliki, Bush visited Camp Victory, a military base, to greet hundreds of cheering troops. He said...'Thanks to you, the Iraq we're standing in today is dramatically freer, dramatically safer and dramatically better than the Iraq' in 2000".

I have to say that we had a very lopsided presentation from a human rights standpoint from the Prime Minister in his statement today.

Let us consider the three yardsticks that President Bush erected. Is Iraq dramatically freer? Yes, there are aspects on which Iraq undoubtedly is substantially freer than it was under Saddam Hussein, which is very welcome. It may be somewhat fragile, but there is a genuine degree of democracy, and there is hugely enhanced freedom of expression and freedom of the media, which is all-important in a free society.

However, with the huge wave of criminality, kidnapping and sectarian violence, I wonder how many ordinary Iraqis feel today that they are dramatically freer in terms of being happy to leave their homes, to walk around in the streets, to be on their own—women in particular—and to go about their business. I wonder how many of the millions of ordinary Iraqis feel today that their ordinary way of life has been made dramatically freer against the background of some of the factors to which I have referred.

Is Iraq dramatically safer? One group of people cannot answer that question. They are the hundreds of thousands—we do not bother to count them—of Iraqi civilians who are dead as a result of what has been unleashed internally in Iraq following our invasion, dead as a result of criminality and dead as a result of sectarian violence. Will the Minister give us her best estimate of how many hundreds of thousands of innocent Iraqis have died as a result of violence in Iraq since we invaded?

Another group of people, who most certainly can answer the question, would answer with an emphatic no. Those are the people who have voted with their feet—the people who have felt it necessary to leave their

[Sir John Stanley]

homes, the people who have become refugees in other parts of Iraq and in neighbouring countries. The figures for those—we owe a debt in this regard to the office of the United Nations High Commissioner for Refugees—are appalling. Some 2.7 million Iraqis have been forced to become refugees in their own country. A further 2.5 million have become refugees in neighbouring countries. More than 5 million Iraqis have been forced to become refugees. Iraq has not proved dramatically safer for them.

There are those who have had to flee because of religious persecution. Whatever the evils of Saddam Hussein's regime—there were many of them—because it was a secular state, it was not into religious persecution. The figures that have been reported in the press regarding the decimation of the centuries-old Christian community in Iraq are that five years ago, there were 800,000 Christians in Iraq; today, that has slumped to 250,000. More than 500,000 Iraqi Christians have been forced to flee the country.

An issue that we dealt with specifically in our report is the safety of women in our own area of responsibility in the Basra area. At paragraph 128 we said:

"We believe that the deteriorating human rights situation faced by women in many parts of Iraq is unacceptable, and we recommend that the Government should use all its leverage to press the Iraqi Government to ensure women are afforded security".

The Government, in their reply, offer some figures and claim that in the Basra area the extent of violence against women is reducing. I point out to the Minister—perhaps she will comment on this—that the figures in the Government response are wholly contrary to the report and figures that were produced in *The Independent* on 30 November. It stated:

"Authorities in the southern Iraqi city of Basra have admitted they are powerless to prevent 'honour killings' in the city following a 70 per cent. increase in religious murders during the past year.

There has been no improvement in conviction rates for these killings. So far this year, 81 women in the city have been murdered for allegedly bringing shame on their families. Only five people have been convicted...One lawyer in the city described how police were actively protecting perpetrators and said that a woman in Basra could now be murdered by hired hitmen for as little as $100"—

$100 for a woman's life. I hope that the Minister will respond to that.

The final claim was that Iraq is dramatically better. President Bush did not quantify what he meant by "better" in that context, but I assume that he was referring to living standards. Living standards for some have improved, but for others they remain grim. There are huge levels of unemployment. There are still poor levels of power supplies. There are worries about public health and there are certainly worries about stability.

I put it to the Minister that although there have certainly been significant human rights pluses, the House of Commons, the public at large and certainly the Foreign Affairs Committee will expect the Government to produce, as we exit from Iraq, a full, objective and independent evaluation of the human rights results—both the benefits and the adverse consequences—of our invasion of Iraq.

I turn next to a matter referred to by the hon. Member for Ilford, South—the key cross-cutting issues of women's rights and children's rights to which we refer in paragraph 12 of our conclusions. In it, we also refer to the important roles of free trade unions and a free media. I hope that the Government will take the recommendation seriously and that they will respond fully on those crucial areas of the universal application of human rights. It is important to appreciate just how valuable free trade unions have been—I stress free, and not state-sponsored unions—both historically and today in safeguarding and upholding individual human rights.

It is a reflection of the effectiveness of free trade unions that they have always been hated by fascist Governments and communist Governments. It is worth recalling that when Hitler came to power in 1933, the first people to be sent to the concentration camps were the trade union activists, not the Jews. As for the communist states, free trade unions were ruthlessly suppressed by Stalin, and they are being ruthlessly suppressed by the Chinese Government today. I hope that the Minister will say clearly that the Government are out to support free trade unions—most particularly, I suggest, in the People's Republic of China.

Jeremy Corbyn: I understand what the right hon. Gentleman is saying, and I agree with him. Is he not concerned also about the situation in Colombia, where there is the largest killing of trade unionists anywhere in the world? That is a serious violation of human rights, and the report draws attention to it.

Sir John Stanley: I am grateful to the hon. Gentleman for mentioning that. Yes, it is a deplorable feature of what is going on in Colombia. Again, I am sure that the Government will focus on that when it comes to this year's report on human rights.

Finally, I want to say this about women's and children's rights. As I go into 2009, one report is seared in my memory. It has recently appeared in many parts of the press, which corroborates the report. It shows just how far we have to travel in order to uphold women's rights and the right to protect children.

The report was about a 13-year-old girl in Somalia who had been gang-raped. She went to the authorities for protection and found herself accused of adultery. When her final day came, she was taken to a stadium where a crowd of about 1,000 people had been assembled. She was dragged off a truck, terrified and screaming, and put into the hole that had been dug for her, with just her head and shoulders exposed. Then the men began to stone her. They stoned her for 10 minutes. At the end of that 10 minutes, they pronounced her not quite dead. They resumed the stoning until she was properly dead.

3.44 pm

Mr. Andrew Dismore (Hendon) (Lab): It is a bit of a busman's holiday for me to speak in this debate, as I am Chairman of the Joint Committee on Human Rights. We obviously concentrate on human rights in the United Kingdom, but it can sometimes be frustrating for the Committee to see so many problems around the world that we are not allowed to investigate.

I compliment my hon. Friend the Member for Ilford, South (Mike Gapes) on his speech and on the work of his Committee. I also congratulate my hon. Friend the Minister on the Government's report on human rights. It is a pity that we should be debating the 2007 report at

the end of 2008, because much of it is out of date. However, the debate has shown how we can bring some of that material up to the present.

I refer to the 2009 Durban review conference. The UN world conference against racism was held in Durban in September 2001. It was a groundbreaking achievement. For the first time, the international community came together to create a declaration and a programme of action to tackle racism, discrimination and xenophobia. However, the conference was plagued with problems, and was hijacked by anti-Israel and anti-Zionist groups. They led a well organised and well funded high-level campaign, backed by Islamic and Arab Governments, to exclude anti-Semitism from the anti-racism agenda, to label Israel as an apartheid state responsible for genocide, and to revisit the equation that Zionism equals racism.

Despite the efforts of Islamic and Arab states to include that extreme negative test, the final Government level declaration at Durban 1 contained positive text on anti-Semitism and holocaust commemoration. The problem, however, was that the language has somehow become legitimised as extreme rhetoric, and is now often widely accepted in mainstream attacks on Israel. Durban began a trend to exclude terrorism against Israel and anti-Semitism from the entire global human rights agenda.

In April 2009, a Durban review conference will be held in Geneva. The final conference will produce a declaration, which is meant to be a review of the extent to which the Durban 1 declaration has been implemented, and it will make recommendations for further action. The April conference will be the final part of a longer review process.

Although the proposed text before the conference has not been agreed, it is of great concern. It includes suggestions that Israel is an apartheid state, that Israel's occupation is racist, that Zionism is racism and that Israel is committing genocide. It questions Jerusalem being the capital of the Jewish state, excludes Jews as victims of racism and excludes holocaust denial from victims of the racist agenda. It creates a hierarchy of categories of racism, whereby Islamophobia is considered to be more important than any form of racism. It also wishes to curtail freedom of expression to include criticism and blasphemy of religion. Although the document is not final, and it is subject to high-level government negotiation, at present it is the only text available.

The Israeli and Canadian Governments have already formally withdrawn from the process; and the United States withdrew from Durban 1. Some states have noted that they might withdraw if the draft document crosses their red lines—for example, Denmark and France. I am pleased to say that I have received good assurances from my hon. Friend the Minister, to which I shall refer in a moment. The red lines are appropriate and fair. They are that there should be no singling out of any one state; no clause relating to defamation of religion; the retention of the anti-Semitism condemnation; the retention of holocaust commemoration; and, in particular, no hierarchy of racisms.

My right hon. Friend the Foreign Secretary met the United Nations commissioner for human rights in November. He informed the commissioner that the United Kingdom was dissatisfied with preparations for the conference, including the drafting of the document and challenges in it to the right of freedom of expression, singling out Israel and the fight against anti-Semitism.

I understand that a further round of negotiations will take place next month, after which the Government will assess their position. I should be grateful if my hon. Friend the Minister would give us a clear assurance that if those red lines are not met, if the text stays as it is, the Government will consider it to be unacceptable and will withdraw from the conference. Ultimately, it is a contradiction in terms: a conference against racism cannot proceed with a text that excludes anti-Semitism and that has a hierarchy which considers some forms of racism to be more serious than others. I hope that my hon. Friend will give us those assurances. I am pleased to say that early-day motion 83 has attracted a significant number of signatures in support of that contention.

I refer next to Cyprus. We do not often hear about Cyprus in the context of human rights, but we should. I shall not speak today about the Cyprus problem; I have secured an Adjournment debate on the subject on 16 January. I want to speak about some of the specific human rights issues that arise there. In that context, I declare an interest. I have just returned from a visit to Cyprus, and some of my expenses were met by the House of Representatives.

The general issues are well known the deprivation and expropriation of property whereby Greek Cypriots have, since 1974, been expelled from the north; the refusal to allow people to return to their own homes; un-investigated deaths from both 1963 and 1974 and many other similar, serious generic human rights problems. However, I want to focus first on the enclaved people in the Karpas peninsula in the north, which I visited for the second time a few weeks ago. Their lot is not much improved. They are effectively living in a police state, in fear and without the benefit of the rule of law. They are oppressed, and there are now only 200 or 300 of them left out of an original population of tens of thousands at the time of the Turkish invasion in 1974.

If somebody left Karpas to seek an education in the south they would not be allowed to return. Families are not allowed to return. They do not have the right to run their own businesses—those that they had in 1974 were expropriated. Houses are in poor condition, and have not been modernised because they are not allowed to repair them. Indeed, some houses were demolished while the residents were away receiving medical treatment. They live in extreme poverty and destitution. Their lot is appalling. Last year I wrote to the secretary-general of the Council of Europe about the matter, and I would be grateful if my hon. Friend the Minister could say what efforts the Government are making to support and raise those concerns in the Council of Europe and to make representations to Turkey and the Turkish Cypriot authorities.

I would like to talk about the Maronite enclaved people, who are hardly ever referred to. Northern Cyprus contains four Maronite villages, one of which, Agia Marina, has been entirely expropriated for use as an army camp, and its people are not allowed to return even to visit the church. I went with them to the gate of the army camp. The soldiers were perfectly polite—I have no complaint about the way in which they responded to us—but made it clear that we were going no further than the road barrier.

[Mr. Andrew Dismore]

Maronites are allowed to return to the village of Asomatos only for a couple of hours on Sundays to visit the church, but they are not allowed to ring the church bell—in fact the rope has been taken away to ensure that that does not happen. Only a couple of old ladies now live in Asomatos, and they are completely isolated on the fringes of another army camp where properties have been requisitioned by the Turkish army. The Maronites are frightened that their whole culture is dying out. They are worried that their language is dying and that Maronites living in the south are being assimilated into the wider Greek Cypriot community. That is a serious human rights issue about which we hear very little indeed. In fact, I think that this is the first time that their lot has been debated in the Chamber.

There are wider issues about freedom of religion in the north. When I visited, a few weeks ago, I saw increased mosque building, mainly on Greek Cypriot land. This year the people of Morphou were not allowed to Agia Mama on 2 September—the saint's day. The day before St. Andrew's day, I visited Apostolos Andreas, the church at the very end of the Karpas peninsular. It is in poor condition. People were there for a religious festival, but when they tried to ring the bell, the police stopped them. That is inappropriate behaviour in a part of the European Union—albeit, there is a derogation in relation to the inability of the Cyprus Government to govern matters in the north.

The north Cypriot economy is in a real state. It relies on income from casinos and increasingly from "night clubs" that are nothing more than brothels in which far too many trafficked women are forced to work, whose cause we have done nothing to raise. What attitude will the Government take to deal with that problem when making representations to Turkey and the Turkish Cypriot authorities?

We have heard a lot in this House about the restrictions in Turkey on freedom of speech and expression and about what happens to journalists, such as Dink, who was murdered, but we hear little about what goes on in northern Cyprus, which is subjected to a very similar regime. Just over a week ago two young Turkish Cypriots, aged 19 and 21, were arrested, taken to court in the north and remanded in custody for seven days, for insulting Cypriot leader Mehmet Ali Talat on a personal Facebook group. They had used pretty childish and abusive language to criticise Talat along the lines of, "So you're President now, you think you're a big ass", among other things. Apparently, a journalist from *Yeni Duzen*, which owes its patronage to the Republican Turkish Party—the CTP—got wind of the Facebook group and reported it to the Turkish Cypriot police, who arrested and detained the two boys and are now trying to track down the other 160 group members. Last Friday, the boys were remanded for another seven days so that the police could complete their so-called ongoing investigation. I understand that there is a strong risk that they will be formally charged probably based on criminal defamation laws. That comes after four youths were beaten, arrested and had their passports confiscated a few months ago in the north, for writing, "Turkish troops out of Cyprus", on a wall.

So it goes on. A journalist whom I know well, Sener Levent, was jailed in the north for things that he had written, and faces dozens of criminal charges. We see in northern Cyprus the same sort of oppression as we see in Turkey.

Jeremy Corbyn: Will my hon. Friend say anything about Cypriot missing persons since the invasion in 1974 who were apparently imprisoned in Turkey? The fate of a substantial number of them remains unknown.

Robert Key (in the Chair): Order. No, the hon. Gentleman will not venture there. I am being very generous already. We are considering the 2007 human rights annual report and the Government's response, neither of which mentions Turkey or Cyprus. The Minister need not feel obliged to respond to those points, important and entrancing though the speech is.

Mr. Dismore: I do not wish to criticise your ruling, Mr. Key, but I refer you to paragraph 80 of the human rights annual report, which refers to Council of Europe matters. It does not deal specifically with Cyprus, but with some Council of Europe rulings on such matters. The European Court of Human Rights is part of the Council of Europe. I refer to these matters in the context of ECHR cases, which are an appropriate part of today's debate.

Robert Key (in the Chair): But we are not debating that report this afternoon.

Mr. Dismore: The Committee's report refers to the Government's report, which has been endorsed. In that context, I hope that you will allow me, Mr. Key, to refer to some of those ECHR cases. I shall refer more generally to those points, because those cases raise important issues, in relation to property and the missing persons in Cyprus.

The Loizidou case was the leading case in this matter, but more recently, in the case of Arestes, Turkey has failed to execute the judgment ordered by the ECHR. The role of Turkey is referred to in full in the Government document and cross-referred to in the Committee's report. The Arestes case deals with the so-called Turkish Cypriot Property Commission. Eight cases have been designated as test cases by the ECHR to examine the effectiveness of the property commission remedy, and 32 other cases have been declared admissible, one to the value of £130 million. The issue is that the commission does not award restitution, without which there is no remedy, as far as the European convention on human rights is concerned.

The Sofi case—I am not referring to one side of the argument only—concerns a Turkish Cypriot who is challenging the guardianship law in the republic, and the ECHR is allowing a hearing on the republic courts. Only today we saw the recommendation of the ECHR advocate-general on the Orams case, which concerns the purchase by a British national of a property in northern Cyprus built on Greek Cypriot land where the Greek Cypriot has been able to obtain a judgment in the courts of the republic, which should now be enforced in the UK courts on the basis of a reference from our courts to the ECHR. I hope that we will see an end to that case.

My hon. Friend the Member for Islington, North (Jeremy Corbyn) referred to missing persons, on whom the ECHR leading case is that of Varnavas in Turkey, which has been rumbling on for about 18 years. On 19 November, a full Grand Chamber hearing looked

into the lack of an investigation into the deaths of nine missing persons—eight soldiers and one civilian—and, on behalf of three of their families, allegations of inhuman treatment. The Committee on Missing Persons cannot provide an effective investigation because it is not in its role to do so. The Cyprus courts are also involved. A Turkish Cypriot has applied to the Supreme Court of Cyprus for a judicial review on the lack of investigation of a death in the Republic.

In another case, the Pasha family are suing the Republic of Cyprus for not telling them that their missing relative—a reservist who had been collected by the National Guard truck in the ceasefire in 1974—had in fact been buried on the Greek Cypriot side. Many such cases seriously breach human rights and come within the context of the Council of Europe and the European Court of Human Rights, and they need to be resolved.

On a positive note, the Committee on Missing Persons, which is part of the United Nations—my hon. Friend the Member for Ilford, South referred to the United Nations in his opening remarks—is functioning well, but it cannot look at the cause of death or attribute responsibility. It is working on a bicommunal basis, which is one of the positive things in Cyprus. It has exhumed 450 bodies so far, out of a total of 1,996 missing people on both sides. It has been able to identify and return 107 sets of remains—31 Turkish Cypriots and 76 Greek Cypriots—and investigated 224 sites. It needs $3 million to run, and is funded year by year only. Does my hon. Friend the Minister think that the Government will consider putting their hand in their pocket to ensure that such vital work continues, because it has at least another two years' worth of work to do?

In relation to demining, to which both reports referred, another €4 million is needed to clear the rest of the buffer zone. Both communities and the UN have put money into demining, but it remains a significant problem to conclude. I hope that the Minister can respond to those important human rights points.

I should like to turn now to the question of Sri Lanka, to which my hon. Friend the Member for Ilford, South referred. It is a very serious issue on which we must focus. I regret the fact that the ceasefire ended earlier in the year because without it there can be no military solution to the conflict. We should all like to see self-determination and a fair and just solution to the problems in the north. The human rights crisis is grave, with reports of disappearances, extra-judicial killings and violence against the media.

Sri Lanka is ranked 165th out of 173 countries in the 2008 world press freedom index published recently by Reporters without Borders. It lags behind Somalia and Iraq, and is only just ahead of Iran and China. Journalists have been murdered, attacked and intimidated, especially in war areas. In a response to a parliamentary question, the Under-Secretary of State for International Development, my hon. Friend the Member for Worcester (Mr. Foster), estimated that, after the latest surge in fighting, the number of displaced Sri Lankans has risen from 75,000 in July to between 200,000 and 250,000 now. Most of them are Tamils, and two thirds of them are likely to be women and children. There was no humanitarian access to assess the figures properly. Those people are trapped without any assistance. I am pleased that the Government have committed a further £2.5 million in humanitarian relief to international agencies. The total estimate of internally displaced people is around half a million.

The Government are correct when they say that there must be inclusive political negotiations for a just settlement in Sri Lanka that can satisfy the legitimate aspirations of all communities and help to promote democracy. I am not surprised that the Sri Lankan Government were not re-elected to the UN Human Rights Council earlier in the year. There is no doubt that Sri Lanka has failed to honour its commitments to uphold human rights and co-operate with the UN since it became a member two years ago.

Recently, I have been raising questions on Sri Lanka's beneficial trade position with the UN and the general system of preference plus, which was due for review recently. Will my hon. Friend say what attitude the Government took in the final part of those negotiations, in particular whether that beneficial position for Sri Lanka has now been ended? Such a position cannot be justified at a time of such huge and horrible human rights abuses.

The Sri Lankan air force drops bombs indiscriminately in northern Sri Lanka, causing civilian casualties. Last year, the UN Human Rights Commissioner, Louise Arbour, visited Sri Lanka, and confirmed that there were a large number of abductions, disappearances and killings. She called for an international human rights monitoring mission to Sri Lanka.

Only this week, we have seen a huge upsurge in military violence. Both sides say they kill scores of each other's fighters, but independent reporters are banned from the war zone. Inevitably, we are reliant on the views and accounts put forward by each side. I heard a particularly disturbing account from Wednesday's fighting. A five-month-old child was killed and 13 other refugees, including three children, were wounded when Sri Lankan air force jets bombed refugee settlements in Vaddakkachchi four times. The Sri Lankan army has also intensified artillery attacks, targeting civilian settlements in Vaddakkachchi, Oddisuddaan and Mutiyava'lai. On Monday, artillery shells hit Mullaiththeevu general hospital, causing injuries to two patients.

Mr. Davey: I agree with many of the hon. Gentleman's remarks on the situation in Sri Lanka. Is he aware of the allegations that the Sri Lankan army has been using cluster munitions in some of its attacks against the Liberation Tigers of Tamil Eelam, thus endangering yet more civilians?

Mr. Dismore: I was not aware of that, but the hon. Gentleman has made a very important and valid point.

Let me turn to the reports from international non-governmental organisations. A few weeks ago, Amnesty said that the Sri Lankan Government must end their policy of blocking the humanitarian aid that is needed by the displaced people in the Wanni region. It called on both the Sri Lankan Government and the LTTE to allow in international monitors to assess the needs of the thousands of the people trapped in the Wanni, and to ensure proper distribution of food and other resources.

The Sri Lankan Government lack the capacity to uphold international human rights standards and to ensure that support is provided to protect the lives of

[Mr. Dismore]

thousands—whether it be through shelter, sanitation or food. Criticism should not be targeted just at the Sri Lankan Government. The LTTE must also bear its share of the responsibility for the human rights abuses, as my hon. Friend the Member for Ilford, South said. Tamil Tigers are subjecting ethnic Tamils in the Wanni to forced recruitment, forced labour and restrictions on movement that place their lives at risk. They have prohibited the movement out of Wanni except for some medical emergencies. Only about 1,000 people have been able to escape from the region since March. The LTTE has trapped hundreds of thousands of people in a dangerous war zone, according to Human Rights Watch. It has also stepped up child recruitment. It is encouraging youngsters aged between 14 and 18 to join up. It has undoubtedly killed large numbers of civilians, committed political assassinations and carried out suicide bombings, thus eliminating most of the political opposition within the Tamil community. It is responsible for killing journalists and rival organisation members as well. This is a terrible conflict, with human rights abuses on both sides. The answer has to be a political settlement one way or the other.

I should like to refer to part 3 of the report, which is the interface between the human rights work of the Foreign Affairs Committee and the report of my own Committee, the Joint Committee on Human Rights. I do that with approbation because it has done an excellent job on the issue of rendition, with its views very much coinciding with ours. When it comes to rendition, there is a real difficulty in finding evidence of what is going on. With all the circumstantial evidence and allegations, it is very difficult to establish what is really happening.

We agree with the recommendation of the Committee concerning the question of water-boarding, which I dealt with when I intervened on my hon. Friend's speech. We also agree with the point about UK officials and torture. The Committee refers to the *Guardian* reports of April 2008 in which allegations are made relating to torture and the conduct of UK officials in Pakistan. We plan to follow that up ourselves with an evidence session in February in which the *Guardian* journalist who has being carrying out these detailed investigations will be questioned.

The report also refers to the issue of diplomatic assurances. We very much concur with what the report says. The Joint Committee has published its own report on those assurances, in particular on memorandums of understanding. We cross-examined the Home Secretary on that, and the position that was advanced was peculiar. To summarise, the position seemed to be that it was all right to ill-treat people if the ill-treatment fell short of torture. However, the prohibition relates not only to torture, but to inhuman treatment, which could be at a low level. There is no line drawn in human rights law between inhumane treatment and torture, as the Court of Appeal rightly found when it ruled on the matter. My Committee was embarrassed by the argument that the Government advanced in the case of Saadi *v.* Italy, which, as the report says, was soundly rejected by the European Court of Human Rights. The Foreign Affairs Committee and the Joint Committee on Human Rights are singing from the same hymn sheet on such issues, although we approach them from different directions.

Finally, I should like to comment briefly on the 60th anniversary of the universal declaration of human rights, and in particular to commend my right hon. Friend the Prime Minister's speech last week to the Equalities and Human Rights Commission reception. It was a powerful defence of human rights at home and abroad. He said that liberty, democracy and justice are rights that all human beings are born with, no matter where they come from; that we should all campaign for Roosevelt's four freedoms at home and abroad; that liberty and fairness are as relevant as they ever have been; and that the universal declaration of human rights and the Human Rights Act 1998 are a shield and safeguard for all of us.

Any 60th anniversary is a seminal moment, and my hon. Friend the Member for Ilford, South was right to draw attention to the threat posed by some of the regimes around the world that are becoming more influential to those basic, fundamental principles. The values are universal and, in my view, timeless. They have their roots in centuries of our history, but they are for the world as a whole. It would be an absolute disgrace is there was any resiling from those basic values, which all in the House stand to defend.

4.12 pm

Jeremy Corbyn (Islington, North) (Lab): I am very pleased to be taking part in the debate, although I am slightly surprised at the timing—it is a Thursday afternoon, immediately before the Christmas recess. I know that you are not responsible for these decisions, Mr. Key, and I do not know who is, but it possibly suggests that some people are not awfully keen on debating human rights. I am sure that I am not referring to any hon. Members present.

Mike Gapes: May I help my hon. Friend? I do not think that it is anybody's fault. There were two slots for a debate in Westminster Hall, and the Foreign Affairs Committee will be away on the second. Therefore, our only alternatives were no debate, or a debate today. I am sure that it will be a debate of quality, considering the excellent contributions that we have already had.

Jeremy Corbyn: I bow to that wisdom, and I am happy to take part in the debate, as I am sure all other hon. Members are. I wish you a happy Christmas, Mr. Key, if that helps.

The principle of the debate is very important. Clearly, the work that Robin Cook did to ensure that the Foreign Office produced an annual human rights report was a good step forward. Of course, that encourages the Foreign Affairs Committee to produce a report, and for the Government to respond, all of which is welcome and important. I rather liked how the Chairman of the Committee, my hon. Friend the Member for Ilford, South (Mike Gapes), introduced the debate by saying that the Government had apparently promised to explain their views better next year. I am not quite sure what that means, but I look forward to that better explanation.

I should like to address the thematic issues that are dealt with at the beginning of the report, because they are an important part of it. The United Nations was set up after the second world war, and the universal declaration of human rights was written in 1948. A great many things stem from it, including the United Nations Human Rights Council, which was formerly called the United

Nations Human Rights Commission. I was interested in what the Committee said about it. I have attended quite a lot of sessions of the commission and, latterly, the council, and they are valuable, important institutions. However, they are not terribly efficient in going about their business. There is a difficult balance to strike between being supportive of the principles of their work, and expressing concern about the speed with which they work and the lengthy sessions that they hold.

There is a growing tendency, which runs wider in the UN system, of excluding, as far as possible, the work of non-governmental organisations. Clearly, when the UN was set up, a role for civil society organisations was envisaged—it is enshrined in every UN conference and agency. NGOs attend the sessions but, in Geneva, I have seen them get less and less time, and more objections are made to individual organisations. I am not saying that there should be no right of objection—in some cases it is legitimate—but I am concerned about the general diminishing of the role of civil society organisations.

In an open, democratic society, civil society organisations can make their points of view known to their Governments, international forums and other places. However, where there is no open, civil society, and no easy opportunity for human rights defenders to approach a Government or other authority to demand justice for people, access to an international body such as the UNHRC is the only avenue. I would be grateful if the Minister could say what our representatives in Geneva are doing to ensure and guarantee civil society organisations a place and facilities, so that they can have a voice and a presence, and take action.

I notice the problem especially when there is a peer group review of human rights on the basis of a report from each country, which is a welcome process. Some countries—I have observed this—show enormous reluctance even to acknowledge the objections made by civil society organisations. In some cases, there is an abject refusal of any other Government to take up the cause of human rights in another country for all kinds of commercial, military and other reasons. The voice of civil society is important, and I hope that the Foreign Office understands the points that I have made on it.

I could talk about a lot of things in this debate, but I should like to deal with the thematic concerns about human rights abuses around the world. In the report and the response, the Foreign Affairs Committee and the Government respectively correctly say that the thematic approach of looking at the treatment of, say, women and children is important. However, today is international migration day. No group of people is treated worse, reported and recognised less, and exploited more, than migrant workers, or people who are trying to lead lives in countries other than their own. In effect, they are paperless individuals.

Antonio Guterres, the United Nations High Commissioner for Refugees, has made a statement today, in which he talks initially about the value of migration. Clearly, every society benefits from migration, including ours. Skilled and unskilled workers move from one place to another and make an enormous contribution to their societies. Many people have left this country for other places to better themselves. It has always happened and it will continue. Mr. Guterres rightly makes that point, and goes on to say:

> "But migration also has a darker side, especially when people move because they are escaping intolerable conditions at home and when they do not have access to the passports and visas that would enable them to migrate in a safe and legal manner…Throughout the world, refugees, asylum seekers and irregular migrants are being held in detention and subjected to physical abuse. Many face harassment, discrimination and exploitation, not least by the human traffickers and smugglers who prey upon people who are desperate to move. Sensationalist media coverage and political populism have contributed to the growth of racism and xenophobia, which are often targeted at the most vulnerable and visible migrants. In contravention of international refugee law, people whose lives and liberty are at risk in their own country are turned away from the borders…where they hope to find safety and security."

It gives me no pleasure to report that in this year alone several hundred people have died trying to cross to the Canary islands from west Africa, trying to cross to Italy, Malta and Greece, and trying to cross to the United States from various countries in central America. There is a legacy of people who have been exploited grossly at home in central America, who have sought economic salvation in the United States, but who have died on the way. I hope that in its future work, the Foreign Affairs Committee will consider the operation of the conventions on migrant peoples and on the rights of migrant workers to enjoy equivalent economic conditions to other workers. I hope that this twilight existence and this exploitation will be ended.

Mr. Davey: Why is Britain not a signatory to the international convention on the protection of the rights of all migrant workers and members of their families? Does he agree that that should be a priority for the Government?

Jeremy Corbyn: I agree absolutely. Last year, I was a rapporteur of a joint conference of the International Labour Organisation and the Human Rights Council in Geneva which made the point that all countries should be signatories of exactly that convention. I endorse the hon. Gentleman's point and believe that Britain should be a signatory.

It gives me no pleasure that there are people, even in this city, almost within sight of this building, who lead a twilight existence because they have no papers. I am one of many colleagues who support the Migrants into Citizens campaign to bring about legal justice for such people. There is a fourth world of 200 million people who move around because of disasters in their own societies, who contribute greatly to the living standards of the rest of us, but who are denied access to rights, benefits and justice. I hope that greater attention will be given to that in future years.

We have discussed a number of countries. No one Member is able to refer to every country mentioned in the debate or report. However, I emphasise the points made by the right hon. Member for Tonbridge and Malling (Sir John Stanley) concerning Israel and Palestine and the treatment of people in Gaza. The Free Gaza movement emphasises that the encirclement of Gaza is dreadful, that the living standards of people in Gaza are dreadful, and that the lack of food, clean water, energy supplies, medicine and the right to travel to gain medical assistance is appalling. Those things are entirely

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politically counter-productive. If people are encircled like that and denied access to the benefits of society—if young people, particularly young men, are forced to lead their lives vicariously through computer screens, looking at the rest of the world that they can never travel to or see—it is small wonder that they end up holding views that nobody would want, like or agree with.

The need for justice for the Palestinian people must be recognised. That in itself would bring about a move towards security. Building security walls and erecting barbed wire entanglements and encirclements, taking water supplies, and denying people the right to travel, to free movement around their own society, and to access to particular roads is not a recipe for anything other than a fractured, dangerous and violent situation. That is the situation now.

I hope that we will be firm with Israel on its policies. I do not support or condone violence by anybody. That includes rocket attacks, attacks by F-16 jets and so on. I want to see peace and justice in the region and believe that that can come about only through a recognition of the rights and needs of the Palestinian people. I am interested and pleased that the Foreign Affairs Committee went there, looked into those issues and made clear statements concerning Gaza in its report. I commend it for that.

Like many colleagues, I have the pleasure of representing an inner-city constituency. There is a large Somali community there. The human rights of Somali people are raised in the report. It states:

> "We conclude that the FCO's report fails to pay sufficient attention to the severe human rights crisis in Somalia. We are particularly concerned by the absence of any mention of alleged abuses carried out by Ethiopian troops".

I was pleased that in introducing the report, the Committee Chairman referred to that point. The situation in Somalia is disastrous. There is no effective national Government. To some extent, there are effective regional governments in Somaliland and to a lesser extent in the Puntland, There is no overarching Government who can effectively control the whole of Somalia. I suspect that there is still a presence of Ethiopian troops. Nobody can receive a full education, have access to health care or have any of the other things that we would want.

Another issue is the pirate ships off the coast of Somalia. It is a condemnation of the world's media that it takes the hijacking of an oil tanker to draw attention to the situation in Somalia. The war that has been going on all these years and the massive killings have received hardly any attention. It says something about the values of the western media that they are more concerned about an oil tanker than the rights of so many people. I understand that more emphasis will be placed on the situation in Somalia in the 2009 report. I hope that that is the case.

Lastly, as I said in an intervention on the Committee Chairman, there is no mention of the Congo in the report. I am pleased that there will be a report on it next year. The situation in eastern Congo must be a priority within the theme of the rights of women and children. I have visited the Congo on a number of occasions and in April I visited the refugee camps in Goma. I met women who were victims of war, and of rape and sexual violence being used as weapons of war. There is a Department for International Development programme in the Congo and a Foreign Office representative in Goma who is trying to bring about a political peace process.

We are giving as much support as possible to women's organisations in the Congo. Something that cheered me up—if anything can cheer one up in eastern Congo—was a women's demonstration that took place in Goma a few weeks ago against the way in which the militias, the army and others act with impunity in their treatment of women. I urge the Foreign Affairs Committee and the Foreign Office to do everything that they can to promote a political peace process and to support the UN in trying to give the hope of peace and justice to the people of eastern Congo.

The Committee Chairman rightly mentioned that this year is the 60th anniversary of the universal declaration of human rights. That is a remarkable document. The work and negotiations of Eleanor Roosevelt in bringing it about were very important. I have sat through many debates in many places in which that document has been condemned as a western instrument which fails to take account of cultural values around the world. Those who drew it up tried to take account of a wide variety of cultural differences and thought hard about that issue. I understand the view of some that it puts far too much emphasis on individual rights, individual liberties and individual justice. I would not argue that point, but that we often fail to pay attention to the other side of the document, which speaks of economic rights, rights of social justice, education, housing and the right to work.

The declaration makes it clear that we must be prepared to ensure that human rights defenders around the world are protected. If they cannot be protected, how can the human rights of those who are suffering be protected? We must therefore support improved human rights courts and regional human rights facilities, such as the Inter-American Court of Human Rights. Above all, we must show that we are serious about defending the human rights of people around the world by being prepared to condemn, without fear or favour, what goes on in particular countries.

I agree with the Committee Chairman, the right hon. Member for Tonbridge and Malling and others about Saudi Arabia. Human rights abuses in Saudi Arabia, although they are recognised, are not discussed in enormous detail. I suspect because Saudi Arabia has a vast amount of oil and buys vast amounts of arms from this country. That, quite simply, is what the equation is about.

If we believe in universal human rights and justice, they should apply all over the world. It is up to us to ensure that our foreign policies reflect that. We should recognise and celebrate that 60 years on, that seminal document written by Eleanor Roosevelt along with many others is well worth defending. Think of its successes. It has helped to save the lives of an awful lot of people who otherwise would have been killed by oppressive regimes.

4.30 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): I congratulate the Committee on its examination of the Foreign and Commonwealth Office report, and I commend the FCO for its work in producing that report. It creates a valuable context for our debates here. I would also like

to mention the people who work in organisations such as Amnesty International and Human Rights Watch: all the campaigners, activists and journalists in this country and around the world who are at the front line in ensuring that individuals' and communities' human rights are respected.

Particularly in this year, the 60th anniversary of the UN universal declaration of human rights, we should remember the achievements of such people as well as understand the challenges ahead of us. There are many. As we have heard, the UN Human Rights Council is far from optimal in how it does its business and promotes that work within the international community. We heard about the problems with the UN conference on racism at Durban, including the appalling approach to Israel and anti-Semitism. I agree with the hon. Member for Hendon (Mr. Dismore) that as we prepare for the Geneva conference we should ensure that those documents to which he referred are properly amended.

When one thinks about the state of human rights development around the world, one cannot help but comment on how many Governments and dictatorships use the cloak of democracy to give themselves legitimacy and defend themselves against accusations of human rights abuses. There is a serious point about how we debate democracy when we see elections being abused and failures to understand the true nature of democracy or the importance of the rule of law in ensuring that democracy is meaningful.

I am thinking particularly of our involvement in Afghanistan and Iraq. Sometimes I think that we have talked about democracy without remembering the critical element of the rule of law. That is why many people around the world do not understand why we are so committed to democracy. In its fullest sense, it is about defending the rights of individuals and minorities as well and ensuring that due process gives rights to communities.

In talking about the wider international apparatus of international law, one must hope that the new President Obama will ensure that the United States becomes a signatory to the treaty on the International Criminal Court. That would be a major step forward in the international framework. I hope that the Government, at least behind the scenes, are pressing him on that. However, I also hope that the Government's approach to the ICC and its potential benefits to the international community will be a little more forceful. I was concerned to read that they want to invoke article 16 in respect of the Sudanese President, Omar al-Bashir. I understand some of the rationale behind that, but I think that it would be a retrograde step.

I would like the Government to go to the UN Security Council, get a resolution and push China and Russia hard to support the idea of making Zimbabwe effectively a signatory to the ICC treaty, as the Security Council is allowed to do. It could be used as a weapon against Mugabe and the ZANU-PF elite. That is how international law could be used to bring pressure to bear on such appalling people.

I congratulate the Government generally on some of their approaches to such matters. I welcome the Prime Minister's comments in his speech on the 60th anniversary of the UN declaration, although some of the comments made by the Secretary of State for Justice with respect to the Human Rights Act in an interview with the *Daily Mail* did not do him or the Government justice. The Government ought to defend the Human Rights Act as one of their best achievements. In the context of this debate, they should not be backsliding. That, among other reasons, is why my noble Friend Lord Lester, who was brought in as an adviser to the Government, felt that he could no longer continue in that role. It is a warning shot to the Government about how they behave on such issues.

The European Union is critical to the fight for human rights. If we consider how enlargement and trade negotiations have worked, we see that the European Union is a major force in developing human rights. In countries such as Turkey, Croatia and Serbia, we can see how significant it is. In its work with other bodies such as the Council of Europe and the Organisation for Security and Co-operation in Europe, it is a force for good.

As others have done at greater length, I shall make a little tour of the world in my remaining minutes, starting with China, which has not been discussed fully. Obviously, it has major status as the world's largest country. It has made some progress on human rights, but far too little. We have seen how China uses trade and its economic clout with other countries to get its way. Recently, it postponed the 11th EU-China summit because it was concerned that the Dalai Lama was visiting certain European capitals. Britain and the EU must stand up to such bullying. If we give way to the Chinese on that sort of thing, we will end up in a sorry state. That is why I am concerned about the change in Government policy with respect to China and Tibet and the move from the long-held policy of suzerainty to one of sovereignty. We are apparently gaining nothing in those negotiations. I hope that the Minister will address that, as several colleagues have mentioned it.

On Sudan, there are many issues one could talk about, but I have yet to hear from anyone in the Foreign Office why this Government, working with our colleagues, have failed to ensure that the helicopters needed by the United Nations-African Union Mission in Darfur are delivered. We understand why Britain itself does not have helicopters—because of our missions in Afghanistan, Iraq and elsewhere—but there are many helicopters around the world that could be used if we had the guts and the political will to use the money set aside to obtain them. It is quite wrong. During my remarks to the Foreign Secretary in January this year, he agreed that the issue was urgent. Well, 12 months on, we have not done anything about it, so it was not that urgent for the FCO.

Other colleagues mentioned Sri Lanka. Last year's Amnesty International report says:

> "2007 was characterized by impunity for violations of international human rights and humanitarian law. Soaring human rights abuses included hundreds of enforced disappearances, unlawful killings of humanitarian workers, arbitrary arrests and torture."

I am afraid that in 2008, that situation has got even worse.

We must hold the Government of Sri Lanka to account. Of course the Liberation Tigers of Tamil Eelam have committed human rights abuses, with their terrorist outrages and some of the things that they have done involving child soldiers, but ultimately it is the Government of Sri Lanka who ought to meet higher standards. Their failure to allow the media spotlight to

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fall on that country and their rejection of humanitarian aid agencies are outrageous, and this Government should send a strong message to the Government of Sri Lanka that they must do better. As colleagues have said, the solution cannot be a military one; it must be political. The Sri Lankan Government should get round the table with the Tamil community and its leaders.

Neither Britain nor the European Union has sorted out a strategy for pressurising the Russian Government properly. We need to think of new ways to embarrass the Russian Government. I suggest to Ministers that they should start every meeting with the Russians by reading out the Russian constitution and asking how well the Putin-Medvedev Government are meeting its lofty principles.

Not surprisingly given the statement today, I will end on Iraq. There is no doubt that the situation in Iraq over the last six years has been appalling for most Iraqi citizens. As the right hon. Member for Tonbridge and Malling (Sir John Stanley) said, if one looks at the measures of freedom, security or safety I am afraid that it is not absolutely clear that things have improved as a result of the war in Iraq.

What was most disturbing about some of the comments on the Floor of the House today, particularly those by the Prime Minister and the leader of the Conservative party, is that, listening to those comments, one would have thought that we went to war on the basis of a desire to get rid of Saddam Hussein. The former Prime Minister, Tony Blair, made it very clear that that was not the basis of the war. The basis of the war was weapons of mass destruction. They have not been found, the cause of war has been exposed as being wrong and yet there was no apology today. Given the suffering of the people of Iraq, that was an absolute travesty.

4.40 pm

Mr. David Lidington (Aylesbury) (Con): First, I want to compliment the Foreign Affairs Committee, in particular its Chairman, the hon. Member for Ilford, South (Mike Gapes), on the very comprehensive and challenging report that it has presented. In the spirit of Christmas, I also express thanks to the Government for a voluminous human rights report, and that adjective is not meant as a criticism. The scope and the length of the annual report from the Foreign and Commonwealth Office indicate how concern about human rights rightly affects every aspect of this country's foreign policy.

It seems to me that the basic principle is that, as a nation, we should aim to conduct our foreign policy in a way that is true to our democratic and pluralist values. At the core of those values is surely a deeply held belief in the primacy and the inviolability of individual human rights. What that means in practice, at least in part, is being ready to express our concerns about human rights whenever they arise and in respect of all countries, and that that principle should apply whether we are talking to our oldest and staunchest allies, to authoritarian regimes that are hostile to this country or to emerging democracies.

For example, a number of right hon. and hon. Members cited China, and I very much want to see Britain develop a strong relationship with the People's Republic of China, as it assumes an increasingly important role on the world stage. The reality is that there will be fewer and fewer global problems in the 21st century that will be capable of being solved without the active participation and partnership of China in seeking and implementing solutions to them.

In general terms, the greater China's global interest and global reach, the greater a stake China will have in global stability. However, a strong and healthy relationship with China is not one in which we take some vow of silence when we talk to Chinese leaders about human rights abuses in their country or about issues such as Tibet. I would welcome an assessment from the Minister of the state of affairs in Tibet and in the ethnic Tibetan areas of neighbouring provinces.

I have said privately and publicly that I believe that it is in the interests of China, if China wishes us to accept what it says about the state of affairs in that part of the People's Republic of China, that it once again allows access to human rights organisations and to foreign journalists, so that they can travel and report freely on what is going on in that region. I hope that the British Government have been pressing for such access to be granted and I would be grateful to learn from the Minister whether we have been successful in ensuring that diplomats from our embassy in Beijing gain access to Tibet or to the neighbouring provinces that were affected by the disturbances in Tibet earlier this year.

The same principle applies in our approach to Russia. In the long run, Britain's interests in a constructive relationship with Russia will not be well served by turning a blind eye to oppression within Prime Minister Putin's Russia or to human rights abuses in Chechnya or beyond Russia's borders.

Perhaps it is most clearly in Zimbabwe today that the issues of human rights come into the starkest relief. A few days ago, the European Council agreed to add 11 further names to the list of people in the Mugabe regime whose assets in Europe would be frozen and who would be made subject to a visa and travel ban, to stop them coming to European Union member states. That joint measure is welcome and I do not think that there is any quarrel across the House about supporting it. However, I question whether it is enough.

We now have a Government in Harare who seem intent on using both starvation and disease as weapons against their people to try to secure their own hold on power in the face of rejection at the hands of the electorate earlier this year. Do the Government support the call from Ministers in Botswana for a ban on fuel supplies to the Zimbabwean army and police and, if so, have our diplomats been pressing Zimbabwe's neighbouring states, in particular South Africa, to implement such a ban?

Furthermore, what is the Government's approach to the proposal that was first put forward this afternoon by my right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley) that either the International Criminal Court or a special tribunal established by Security Council resolution should be invoked so that Mugabe and his henchmen know that there is a real prospect of them being brought to account for their crimes, and that it would be in their interests to quit power sooner rather than later?

Also, what is the Government's response to the desperate plea from the World Food Programme for international action to alleviate the suffering of the people of Zimbabwe

in the face of the decision by their Government to restrict access to basic foodstuffs? The WFP has appealed for $140 million in aid, but it says that only $60 million has been pledged so far. Consequently, it is now talking about having to cut back on the rations that are distributed to the people in Zimbabwe who are dependent on UN food aid, despite the fact that on every forecast the number of people expected to become dependent on such assistance is set to grow, and grow significantly, in 2009. How much have our Government committed to that aid programme? What are we saying to other developed countries around the world about our common responsibility to alleviate this dreadful suffering and this appalling and shocking abuse of human rights in Zimbabwe?

I am conscious that both the Foreign Office's report and the Foreign Affairs Committee's inquiry are so broad in scope that I shall inevitably have to pick and choose which themes and which countries I refer to. However, Iraq is important, intrinsically so because of what is happening there and more particularly so because the state of affairs in Iraq is to some extent the responsibility of this country.

I have two questions to put to the Minister about Iraq. The first concerns Iraqi interpreters, which is another subject that my right hon. Friend raised. As my right hon. Friend the Leader of the Opposition said earlier today in response to the Prime Minister's statement, we have a duty not only to offer our thanks to the Iraqis who have served the British authorities and armed forces at great risk to themselves and their families, but to offer our sanctuary when their lives are threatened as a consequence of helping us. Will the Minister give a clear assurance that by the time our troops are withdrawn from Iraq, in the middle of next year, all the cases of people who have worked for our forces or for the British authorities and who seek either financial assistance or relocation will have been properly dealt with? It would be a betrayal to withdraw from Iraq leaving completely unprotected people who have put their personal safety at risk in the service of our forces.

Will the Minister comment on the rules of the scheme that the Government operate? I hope that I am mistaken, but they appear to exclude people who, although they worked for the British authorities for the requisite period of time, worked for Ministry of Defence contractors rather than directly for the armed services. In some such cases, Iraqi interpreters and other workers were subject even to military discipline, and it would be a scandal if those Iraqis were excluded from our offer of sanctuary simply because the MOD contracted out certain functions, rather than carrying them out directly, while their counterparts who worked directly for the forces in almost identical circumstances were given protection.

My next point on Iraq is more general. The Prime Minister rightly drew attention today to the improvement in the security situation in at least parts of Iraq in recent months. I hope, however, that the Foreign Office and the Select Committee will continue to look closely at what is happening in that country, particularly at the position of religious minorities.

The United States Commission on International Religious Freedom said, in a report published only this week, that

"religiously-motivated abuses are continuing and widespread. The lack of effective government action to protect these communities"—

including Christians, Yazidis, Mandeans and others—

"has established Iraq among the most dangerous places on earth for religious minorities."

The report also said that religious minorities had been subject to

"harassment and abuse during Saddam's era"

but that

"their situation has grown more severe"

since 2003. That should rightly be on our conscience and should be a concern that affects our continuing relationship with the Iraqi authorities in Baghdad and Irbil. It should also be a key aspect on the agenda whenever British Ministers or officials meet their Iraqi counterparts.

That leads me to a more general point about religious persecution. Throughout its report, the Select Committee highlights examples in country after country in which the human right to freedom of belief and of worship is at best abused and at worst deliberately persecuted. There are references to the plight of the Baha'is in Iran, to the prohibition in Saudi Arabia of the practice of any religion other than Islam, and to the persecution of pretty much every religion in North Korea. Also mentioned are the insistence of the Chinese Government on a system of approval or licensing if particular religious organisations are to be tolerated, and the anti-conversion laws in Pakistan and Afghanistan. Those are all cases in which the denial of freedom of religion has come about by a deliberate act of policy by the Government concerned.

In other countries, people of certain religions—particularly, but not exclusively Christians, I am afraid—are persecuted not by Governments but by other groups in society. The problem in such countries is that their Governments are either unwilling or unable to introduce adequate safeguards and to stop that abuse or persecution. The Chairman of the Select Committee talked about the position of Hindus in parts of Malaysia. In the past year I have received letters about the difficulties faced by Ahmadi Muslims in Indonesia. Of course, everyone in the House will be aware of the appalling attacks on Christians in the Indian state of Orissa in recent months. Those matters should all be on the agendas of our Foreign Office Ministers. I hope that they will not only look at individual cases, but examine whether the Government and the Foreign Office could do more, institutionally, to highlight abuses of the right to religious belief and worship throughout the world, and to bring those issues to public attention.

The Foreign Office has a panel on freedom of religion, but I understand that it comprises more than 60 religious organisations in the UK and that it meets irregularly. Is there a case for making such a panel permanent and for its meetings to be regular? Might the Foreign Secretary consider appointing a special representative to focus entirely on freedom of religion, belief and worship? That is a common theme across many countries. As I have said, the US has a statutory commission with the job of monitoring and holding inquiries into alleged abuses of religious freedom around the world, taking evidence and making reports. Is there a case for the UK Government not to copy exactly what is done in Washington, but to focus their efforts more carefully?

[Mr. David Lidington]

I conclude by discussing the Durban conference, on which I agreed completely with the hon. Member for Hendon (Mr. Dismore). The conference, in 2001, was a parody of concern for human rights. I remind the Minister that when we last debated human rights in the Chamber, on 13 October, she said that she would review the UK's position shortly after the debate. In fairness to her, she was absolutely clear in denouncing what had happened in Durban, and I do not question the principle of her comments. She said that

"we are participating in negotiations in Geneva at the moment and…we will reassess our position when the preparatory committee ends this week."—[*Official Report*, 13 October 2008; Vol. 480, c. 641.]

We are now two months hence, and the Government are still, apparently, engaged in those negotiations. I thought that the hon. Gentleman was being very generous to the Minister when he said that he accepted that there was a while to go yet, and that we had to see whether further concessions might be available. I question the point of the United Kingdom continuing to participate in the preparations for that conference. On the basis of what I have seen and read so far, there is little evidence to suggest that it will be anything other than the charade that we saw in 2001, and, if it turns into that, it will be an event in which the Government of the United Kingdom should take no part.

The Government's own human rights report said:

"The United Nations remains the bedrock of international efforts to promote human rights."

I agree. It is precisely because the United Nations' reputation will be besmirched if there is any repetition of Durban that the Government should make it very clear that they want no part in any repetition of what happened that year.

Robert Key (in the Chair): Before I call the Minister, I gently remind her of the tradition that, if the Committee Chairman so wishes, and by leave of the Chamber, he may have a few moments to give a winding-up speech before we close.

5.1 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Gillian Merron): Thank you, Mr. Key. This has been an important and welcome debate. I am happy to take part in it no matter what day, or time of day, it is. Perhaps it is appropriate if, first, I join with others in wishing you, Mr. Key, the staff of the House and right hon. and hon. Members all the compliments of the season, but, for me, today is as good a day as any to discuss the matter before us.

The United Kingdom promotes human rights and democracy not just because it is the right thing to do, but because it is in our interests to do so. I think that right hon. and hon. Members will happily share in that argument with me, because this is a world where, if human rights are more fully realised, people are treated with respect for their inherent dignity and worth, and democracy and rule of law prevail, that will also be good for our prosperity and security in the United Kingdom.

The Select Committee on Foreign Affairs has continued to offer recommendations, criticism and, I am glad to say, praise, where merited, to the Foreign and Commonwealth Office for its work to promote and protect human rights throughout the globe. Right hon. and hon. Members have done likewise today. I welcome the scrutiny as well as the support, and I welcome the guidance that is always given freely and in good heart, because it is a very important contribution not only to our policy making but to the actions that we take.

This is our report's 10th edition, and FCO staff in London and overseas work hard to ensure that it is thorough and insightful guide to our policies and activities. I welcome the Committee's comments that the latest edition is an advance on our previous efforts, and I assure the House that we will try to improve yet again with our 2008 report, which will be issued in spring 2009, giving us much of 2009 in which to debate it.

I shall turn to the points that have been made in the debate. I share many of the sentiments, much of the outrage and, mostly and importantly, the need to recommit ourselves today to the spirit and the reality of the universal declaration of human rights, as we rightly celebrate its 60th year. I shall endeavour to do justice to the many points that have been made, but, of course, where I am not able to, I shall follow them up in writing or, where appropriate, raise them with ministerial colleagues if the issues fall into their domain.

I shall begin by addressing the broader issues and then turn to individual countries. First, to my hon. Friend the Member for Ilford, South (Mike Gapes), the Committee Chairman, and the right hon. Member for Tonbridge and Malling (Sir John Stanley). I can of course confirm that women's rights and good governance will remain a vital part of the Government's work, and that we will seek better to explain how the issues have been factored into the Government's overall strategy, as the Committee asked us to. That work will include annual reports on countries of concern, too. We very much agree with the recommendation to bring out in our next report the important role of free trade unions and free media, and I certainly concur with the many comments about that today.

Issues about international organisations have rightly peppered the debate, and we are committed to ensuring that international institutions are effective and fit for purpose, because the UN and other regional organisations are the primary mechanisms through which we promote, and exert pressure for, the implementation and further development of individual human rights standards. Such organisations are also where action is taken against human rights abuses, and we work constantly to strengthen the effectiveness of the system, because we believe that it is fundamental to all that we do so. As a member of a number of multilateral institutions, whether they be the UN, the European Union or the Organisation for Security and Co-operation in Europe, we are committed to implementing human rights fully at home and to promoting them abroad.

My hon. Friends the Members for Ilford, South and for Islington, North (Jeremy Corbyn) referred to the Human Rights Council, and I believe that it can and does contribute towards the protection and promotion of human rights globally. However, it is also true to say that it is not perfect—for some of the reasons that we have heard today. Out of the Human Rights Council, I

am glad that we now have the universal periodic review process, which, for the first time in the United Nations' history, will ensure that the human rights situation in every single UN country is regularly examined. Earlier this month, the council held a special session to review the worsening human rights situation in the Democratic Republic of the Congo—a matter of extreme concern which has been raised in today's debate and among the Government.

My hon. Friend the Member for Islington, North rightly raised the issue of the voice and the influence of non-governmental organisations, and I agree about the need for their participation at the United Nations, in other international organisations and, indeed, in-country. The voice and influence of NGOs is crucial if we are to see governance improve and change, transparency, and Governments taking action in the interests of their people. To provide some assurance, I should say that the UK has argued hard for NGOs to provide input into the new universal periodic review process, and they are able to input substantively on every country under the new process. Issues were raised about China, Cuba and Russia, and, importantly, with those countries up for review next year, that is no small opportunity for NGOs. The House will want to know that, interestingly, FCO staff who work on human rights meet a wide range of NGOs before and after every session of the Human Rights Council and the UN General Assembly Third Committee, giving us a chance to benefit from their experience and expertise, and the NGOs a chance to provide input into the organisations' policy. We will continue to progress that work.

On the issue of human rights for women, right hon. and hon. Members rightly talked about the fundamental need to improve the lot of women and children. I shall refer to the rights of women, and to protection against the abuse of women's human rights. The issue of violence was raised today, and I shall focus on that, because words are not enough; we need, without any shadow of a doubt, action. The fact is that, for social, cultural, religious or other reasons, many states remain resistant to promoting the protection of women's human rights, so what has the UK done to combat violence against women? I am glad that we played a major part in the adoption of UN Security Council resolution 1820, which established for the first time a link between sexual violence in conflict and international peace and security. It also improved the reporting requirements on the impact of women in conflict. I believe that that is how we should go forward. We have also worked in the EU to develop guidelines on combating violence against women. That is not just words, because from now on the EU will conduct systematic lobbying and reporting on the issue, and EU funding will be used to tackle it. I am not just hopeful but intent that those things will make a real difference.

The Government never use torture, including water-boarding, which has been mentioned, for any purpose. Nor do we encourage or assist others to do so. We consider water-boarding to be torture, and as I have said, we are quite clear that we unreservedly condemn its use. The other reality is that we have different legal views from the United States on a number of counter-terrorism issues, but both the UK and the EU will continue to discuss those matters with the US.

Mike Gapes: I am grateful to the Minister for making it clear that we have a different view from the United States, but will she go a step further and say that we therefore do not accept the assurances that the United States does not use torture?

Gillian Merron: I think that it would probably be appropriate to say that the use of torture and what is defined as torture continues to be a matter of important debate between the US and the UK. I can assure my hon. Friend that that will not change.

The *Guardian* articles referring to allegations of UK complicity in the mistreatment in British nationals detained in Pakistan have been mentioned. We have taken them seriously, and I can tell the House that the Security Service has checked for any relevant information in light of the allegations, and my right hon. Friend the Foreign Secretary has been informed that there is nothing to suggest that torture in Pakistan was supported. I restate the important point that we abide by our commitments under international law and expect all other countries to comply with their international obligations.

My hon. Friend the Member for Hendon (Mr. Dismore), who is the Chairman of the Joint Committee on Human Rights, and the hon. Member for Aylesbury (Mr. Lidington) mentioned the Durban review conference. I can do no more than restate that the UK of course opposes language singling out Israel and the treatment of anti-Semitism that restricts the right to freedom of expression on historical issues. There is no doubt that what happened previously in the process was unacceptable, as has been put on the record many times. There has been no change and no move away from that view. However, I can confirm that there will be a further round of negotiations in January 2009. After that, the Government will decide whether to remain in the process. It is right that we make every effort to use every forum that we can to move forward on combating racism wherever it takes place. We do not flinch from that.

Mr. Dismore: I am grateful for the Minister's assurances. May we take it that soon after the review meeting in January, the Government will make a clear statement one way or the other about the conference, and that if the red lines are not met, we will withdraw from it?

Gillian Merron: I can certainly assure my hon. Friend that we will make a statement as soon as possible afterwards. Of course, the UK delegation has been active in proposing more positive language and making clear our objections to what we have deemed unacceptable at the preparatory committee. As I said, we will not flinch from that.

I shall mention as many individual countries as I can, starting with Somalia, which my hon. Friends the Members for Ilford, South, and for Islington, North, mentioned. On human rights abuses by Ethiopian troops, the Ethiopian Government have of course announced that their troops will withdraw from Somalia in the near future. Until they do so, we urge the Ethiopians to use only appropriate means and that they should and must adhere to international humanitarian law and respect human rights. My right hon. and noble Friend Lord Malloch-Brown raised the issue of human rights in Somalia with the Ethiopian Prime Minister in late January 2008, and I

[Gillian Merron]

assure the House that the 2008 FCO human rights report will go into much more depth about Somalia, as has been called for in the debate.

On Israel and the occupied Palestinian territories, just last month on his visit there the Foreign Secretary delivered some clear messages in his meetings with Israeli leaders. The UK has serious concerns about Israeli restrictions on Gaza and their impact, much of which has been well rehearsed and described. We have consistently called for Israel to dismantle its settlements in the occupied Palestinian territories, which are illegal, and those messages were pressed home. There is also no doubt that we recognise Israel's general security concerns, as right hon. and hon. Members have in the debate and at other times. Ministers and officials regularly press the Government of Israel about human rights abuses, and I am in no doubt about the manner in which messages are delivered.

On Iraq, perhaps it will help right hon. and hon. Members if I remind them that the FCO and the Ministry of Defence will open and close a full debate on 14 January on the future strategic relationship with Iraq. It will allow a wide-ranging discussion of issues including human rights. I believe that Iraq has made significant progress during 2008. There have been marked improvements in security and the economy, and some improvements in human rights. Iraq has shown itself to be a functioning democracy, for example in the parliamentary process that led to the recent security agreement with the United States.

The UK's human rights work in Iraq is focused on helping to build its institutions and develop the security forces. We strongly supported the passage last month of legislation to set up the new national human rights commission, and I am sure that right hon. and hon. Members will be aware that the FCO, the Department for International Development and the Ministry of Defence continue to support the authorities in building an effective and accountable police service, and particularly in developing Iraqi forensics capability. The reason for that, of course, is that confession-based evidence can lead to abuse. We hope that a move to a basis of scientific evidence will be of assistance.

It is true that there is much violence in Iraq, and of course extremist violence remains the single biggest threat to Iraqis' everyday security and well-being. Religious persecution was mentioned, and we remain very concerned about the treatment of Christians in Iraq. My fellow Foreign Office Minister, my hon. Friend the Member for Harlow (Bill Rammell), made it clear during a Westminster Hall debate on Tuesday that although progress is being made and Christians are being able to return to their homes, there is a lot more to do. In the end, the fundamental solution is for the Government of Iraq to ensure that the writ of its constitution is carried forward in respect of the Christians in the country.

I turn to Sudan. Perhaps I can give some assurance to the hon. Member for Kingston and Surbiton (Mr. Davey) by putting the situation in some context. There is no doubt that UNAMID, the UN-African Union peacekeeping mission in Darfur, is one of the most difficult missions that the UN has ever undertaken. It is now at a total strength of something like 12,500 troops, police and civilians. However, I assure him that we have lobbied extensively in support of the UN to find helicopters and engineers. We are exploring all options for helicopter provision and will continue to do so.

The hon. Gentleman will know that in March the Prime Minister announced UK funding of £4 million to train and equip African troop contributors, and that we continue to work closely with the UN, the African Union and international partners to help UNAMID to improve security, and that that will continue.

Tibet was discussed by the hon. Members for Aylesbury and for Kingston and Surbiton. Perhaps I could respond in this way: this is not a concession of any kind but a reflection of where we are. Perhaps by being clear on the issue of Chinese sovereignty, we can do more for human rights in Tibet than we could have with our previous position. It is true that Tibet has been under Chinese administration for many decades, but the Dalai Lama himself has made it clear that he is not seeking independence for Tibet. For us, this is about a means to promote human rights.

On Zimbabwe, several right hon. and hon. Members asked about trying Mugabe for crimes against humanity. There is absolutely no doubt that the Government of Zimbabwe and Robert Mugabe have inflicted a severe, massive human toll on their own people and continue to do so. The future of Robert Mugabe will be for the people of Zimbabwe to decide. It is important to note that Zimbabwe has not ratified the Rome statute, so action by the International Criminal Court would require a UN Security Council resolution, which, in truth, is somewhat unlikely at present.

Mr. Davey: Have the Government tried to secure such a resolution?

Gillian Merron: The hon. Gentleman is well aware of the current difficulties in the Security Council. Our priority, rightly, is to work for the people of Zimbabwe. The debate has raised several matters of immense concern to us which have required us to engage with the international community to respond to the crisis. We have upheld the EU targeted measures that restrict the movement of key figures, and we continue to work in the UN and, of course, the Security Council to raise Zimbabwe as a matter of urgency. We lobby South Africa and the regional elders to effect change, and we welcomed the report of the group of elders which directly linked the failure of social and economic policy with the current humanitarian crisis.

The UK is a major contributor to Zimbabwe. In the current financial year, we expect to have provided some £47 million in aid. The UK is the second-largest bilateral donor to Zimbabwe, and I can assure the House that our bilateral aid is channelled through the UN and non-governmental organisations, not the Government of Zimbabwe. We made a major contribution of £9 million to the UN world food programme appeal, and most recently provided a support package of £10 million to provide life-saving assistance and to respond to the escalation of cholera.

The final country that I will be able to refer to is Burma. My hon. Friend the Member for Ilford, South is right in referring to the worsening human rights record there. I can assure him of action over the past year. We have done what we can: we helped secure

unprecedented Security Council action and strong condemnation of the regime by the UN General Assembly and the Human Rights Council, and we strengthened EU sanctions. We also raised Burma with those countries that are best placed to influence the regime, including China, India and members of the Association of Southeast Asian Nations.

Ultimately, as we all know, the key to ending human rights abuses in Burma lies in a peaceful transition to civilian democratic rule, and we fully support and will continue to support the efforts of the UN Secretary-General to bring that about. Our embassy in Rangoon continues to press for that.

I am pleased to have participated in this debate and I know that right hon. and hon. Members are also pleased to have done so. Once again, I thank the Foreign Affairs Committee for its ongoing scrutiny of our international rights policy. I know that that scrutiny will continue as we move into the next annual human rights report cycle.

What better way to celebrate the 60th anniversary of the universal declaration of human rights than to express our determination to do more, to do better and ensure that this landmark document is as powerful in practice as it is in aspiration? I thank hon. and right hon. Members here today—and those who could not be here—for their support in doing this.

Robert Key (in the Chair): By leave of the Chamber, I call Mr. Mike Gapes.

5.25 pm

Mike Gapes: I just want to respond briefly to two things mentioned during the debate. First, I assure the Minister and her officials that the Foreign Affairs Committee has already decided to write in response to a number of detailed points in the Government's response to the Committee's human rights report. We will be pursuing a number of issues in writing over the next few weeks and we look forward to receiving greater clarification on some of those issues than we have had today and in the Government's response so far.

Secondly, I thank you, Mr. Key, for being so tolerant in this debate and I look forward to speaking in debates on the reports from the Committee chaired by my hon. Friend the Member for Hendon (Mr. Dismore). I hope that the Chairman of those debates is as tolerant as you have been.

I also thank my hon. Friend the Member for Islington, North (Jeremy Corbyn) for raising the question of migrant workers, which is an cross-cutting issue of human rights that is covered by a number of Committees in the House. We all have a duty to look at that in whatever way we can.

Finally, a number of areas were mentioned that were not included in the Foreign Affairs Committee's human rights report. I did not have time, in my opening remarks, to mention all the things that were contained in the report, so I am grateful that my fellow Committee member, the right hon. Member for Tonbridge and Malling (Sir John Stanley), took up some of those. Other hon. Members have added to the debate in other areas.

We will be revisiting these questions. We look forward to the Government's report in the spring and to either this Minister, or the Minister in the other place, as was the case last year, coming to our Committee to answer our questions. We will, no doubt, probe a number of new issues as well as the ones that we have touched on today.

I thank you, Mr. Key, and wish all right hon. and hon. Members a merry Christmas.

Robert Key (in the Chair): May I wish you, one and all, a very happy Christmas.

Question put and agreed to.

5.28 pm

Sitting adjourned.